

Wednesday November 27 1996

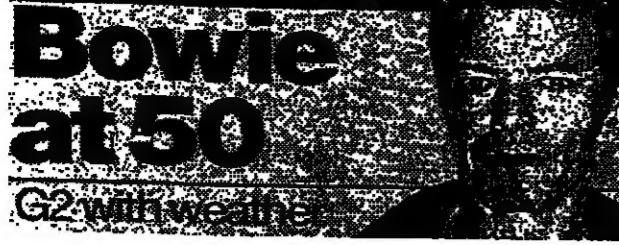
Also available in 50 other languages...
Albania D 50, Albania L 200, Australia F 70, Austria AS 30, Bahrain KD 0.85, Belgium BF 65, Bulgaria LV 250, Canada CA 1.25, Croatia HR 12.50, Cyprus CY 1.00, Denmark DK 15, Finland FI 50, France FF 120, Germany DM 3.50, Greece D 400, Hong Kong HK\$ 25, Hungary F 200, Iceland IS 195, India Rs 55, Ireland NI 3.20, Italy L 3,000, Japan J 125, Korea KR 150, Kuwait KD 0.50, Lebanon L 1,000, Lithuania LT 1.05, Luxembourg L 1.05, Malaysia M 1.05, Mexico MX 1.05, Netherlands G 4.00, Norway NK 18, Oman O 1.00, Pakistan R 50, Panama P 5.00, Portugal P 1.00, Qatar QR 8.00, Romania R 100, Saudi Arabia R 10, Singapore S 1.00, Slovakia SK 17, Slovenia SI 1.00, Spain P 250, Switzerland SF 3.20, Taiwan T 1.20, Thailand TH 1.00, Turkey TL 1.00, Ukraine UA 2.00, USA US\$ 2.75

The Guardian INTERNATIONAL NEWSPAPER OF THE YEAR

Printed in London, Manchester, Frankfurt and Roubaix

46,721

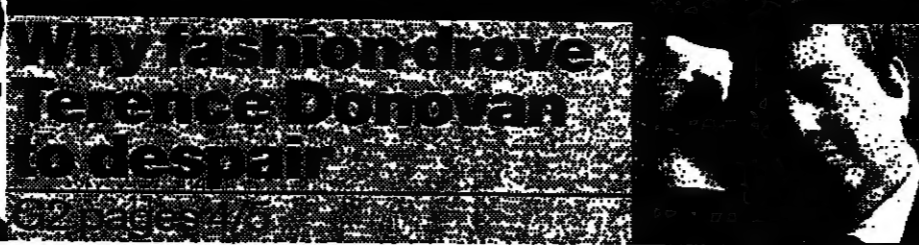
The enigmatic rock icon



Bowie at 50

G2 with...

Inside story



Inside story: Blair's drive to Downing Street

Society

The Disability Act: Legalised apartheid?

Inside: Budget special

The Tories' last card

Clarke gambles on tax cuts and growth to deliver election victory

Larry Elliott and Michael White

KENNETH Clarke yesterday turned the leakiest Budget on record into one of the most cautious in the history of electioneering...

With one eye on the City, the Chancellor trimmed public spending, pledged to hit the Government's 2.5 per cent inflation target...

Playing the Tories' last card before the election, Mr Clarke's package was designed to appeal to the swing voters of Middle England...

THE Chancellor was accused of stealing Labour's clothes and sneaking through a "windfall tax" on the utilities...

and removing top-up benefits from single parents.

Overall, the Budget is set to reduce taxes by only £765 million next year...

Mr Clarke told the Commons that a tight Budget was needed to keep interest rates low and ensure that the economy grows by the expected 3.5 per cent in 1997...

Ministers believe that the safety-first approach is the key to a feel-good factor among voters that will ensure their hopes of a victory against the odds next spring...

crisis engulfs whichever party wins the election.

The City was already starting to express deep scepticism about some of the Chancellor's arithmetic last night, fearing that the cuts in spending are based on heroic assumptions for inflation and the proposed attack on social security fraud...

Tories said average families will be £1,100 better off after tax and inflation than before the last election; Labour says they are paying £1,120 more in taxes...

An analysis for the Guardian by Coopers & Lybrand indicated that a single person on £20,000 a year will be £5 a month better off after all the Budget tax changes are taken into account.

The Chancellor's caution in delivering a minimalist Budget that had been trailed for weeks and leaked on an unprecedented scale 24 hours in advance, was offset by a bravura 75-minute Commons performance...

Mr Clarke closed with a candid explanation for his strategy: "I am a man of the world. I realise virtue doesn't always bring its own rewards."

In confirming the £2.2 billion package of tax cuts across a range of goods and income - including 26p off a bottle of spirits - Mr Clarke also revealed tax increases officially put at £1.5 billion...

Office, where many staff have been told they face redundancy, and where Budget papers are normally printed.

The Mirror trumpeted its triumph in having obtained 50 per cent of the Budget's content, but did not reveal specific details.

However, those on low incomes will be hit by the increases in indirect taxation, while the spending plans suggest that public sector workers can expect either job cuts or below-inflation pay awards in the coming year.

Most Tory MPs, even Mr Clarke's critics, accepted that voters and the City would not be impressed by a give-away performance. But some right-wing Tories fear that inflation will surge above Mr Clarke's 2.5 per cent forecast before election day.



"The Budget wasn't exciting. It wasn't meant to be. Excitement would have been a form of betrayal. It was meant to say that economics is a tricky business and we know how to do it. That's a formidable message."

Hugo Young, Page 7

Main points

Taxation

- One penny cut in the basic rate of income tax, from 24p to 23p. Lower 20p tax band raised by £200 to £4,100. Threshold for higher rate tax of 40% up £200 to £28,100. Petrol and diesel up 3p a litre - about 13.5p per gallon - from April next year. Car tax up £5 to £145. Fifteen pence on packs of 20 cigarettes, 7p on packs of small cigars and about 6p on pipe tobacco. Alcohol to face 40% increase in tax - 7p to 8p a bottle - from January. Beer and wine unchanged for second year running. Spirits duty cut from 6p to 4p a bottle. Inheritance tax threshold raised to £215,000 - from £200,000. Insurance premium tax up from 2.5% to 4% from April 1997. Tax-free profit related pay to be phased out.

Spending and services

- State of £1bn worth of student loan debts. Spending on schools up by £250m next year. £200m extra for extra school places. £220m to boost further and higher education over next two years - including £20m for special needs education. Prescription charges up by 15 pence to £5.65. Spending on patient services to increase by £1.5bn. Overseas aid cut by 8.4%. Housing benefits cut for 250,000 single people. Abolition of special benefits for lone parents. £450n more for police/prisons.

What the tax changes mean to you

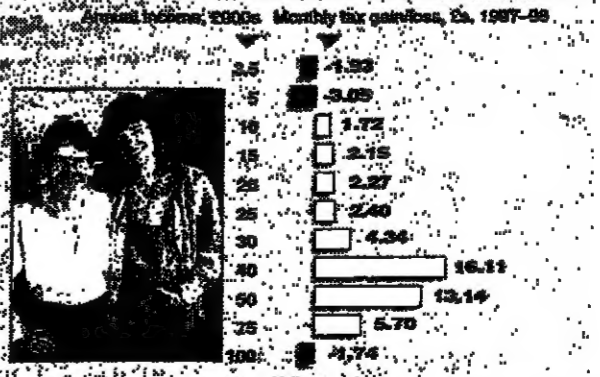
Single, employed person



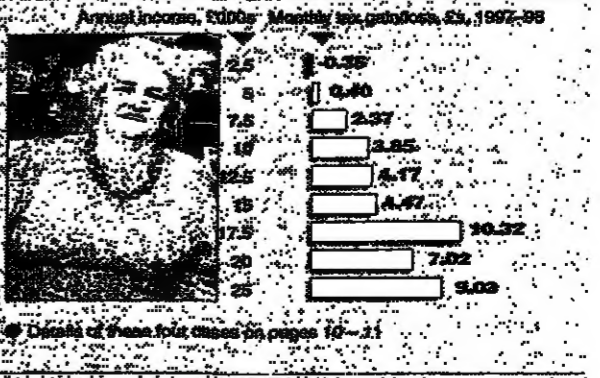
Married, self-employed, two children



Married, employed person



Single pensioner aged between 65 and 74



Freelance journalist 'was source of spectacular leak' to Mirror

Andrew Cuff and Ewan Macaskill

A FREELANCE journalist who specialises in investigative reporting was believed last night to have been the source of the unprecedented leak which upstaged Kenneth Clarke's Budget.

The Daily Mirror was understood to have obtained a bundle of secret documents the day before Mr Clarke's speech from a reporter with a record for spectacular scoops and exposés.

Workers are to be questioned at a south London print plant, part of the recently privatised Stationery

Office, where many staff have been told they face redundancy, and where Budget papers are normally printed.

The Mirror trumpeted its triumph in having obtained 50 per cent of the Budget's content, but did not reveal specific details.

The Government obtained an injunction, but editor Piers

Morgan claimed he had already decided not to disclose Mr Clarke's precise plans.

A spokesman at the freelance journalist's business address, in Covent Garden, London, said: "He is not in the office at the moment but we have been receiving lots of calls from people asking to speak to him. We cannot com-

ment on anything else but he is not likely to be around for the next couple of days."

The Mirror published its scoop without paying the source, although it is understood money would have changed hands if details from the documents had been used.

Police were last night called into one of Whitehall's big-

gest mole hunts for years. Whitehall sources indicated they were hopeful of an early success in finding the source of the leak because of something "curious" in the 94-page batch of papers returned to Downing Street.

Inside

Britain

...to be questioned at a south London print plant, part of the recently privatised Stationery Office...

World News

...to be questioned at a south London print plant, part of the recently privatised Stationery Office...

Finance

Europe's oil and gas firms face a £14.6 billion bill for disposing of off-shore rigs following the row over Brent Spar.

Sport

Jonathan Davies, who last played Rugby Union for Wales eight years ago, returns against Australia in Cardiff on Saturday.

Comment and Letters 6; Obituaries 8

G2 Crossword 15; Weather 16; Radio 16; TV 16



The Guardian's budget coverage

Pages 9-11. Three-page special budget supplement with detailed analysis of the Chancellor's changes and what they mean for both the country and you.

On the Web: The Guardian's coverage available on the Internet: www.guardian.co.uk/budget

2 NEWS

Adams accuses Major of 'postponing opportunity for peace' by rebuffing last-chance proposals

IRA ceasefire plan rejected

TIME was being called last night on the IRA ceasefire when government sources and the Sinn Fein president, Gerry Adams, both said John Major had rejected last-chance proposals.

has not been persuaded, the Prime Minister told the Commons yesterday. "If there is any suggestion that terrorism will bring Sinn Fein to the negotiating table it emphatically will not."

Privately it is understood that Mr Major wrote to Mr Hume at the weekend telling him that the proposals do not square with current government policy.

Mr Adams said: "There isn't any evidence to suggest the IRA is contemplating any unilateral initiative like that. We are at a point where it appears that the British government is going to reject what was put to them as a reasonable proposition as a way forward and a means of creating proper talks."

Mr Adams said: "I think it is incumbent upon everyone to redouble their efforts in the short time ahead to try and ensure the situation forward."

The Ulster Unionist leader, David Trimble, has also indicated that he is relaxed about the government response and does not expect an IRA ceasefire to emerge from it.

BSE epidemic 'could be over by mid-1998'

BRITAIN may already have fulfilled its promises to Europe to cull cattle at risk from "mad cow disease", a leading scientist said yesterday.

most likely to develop BSE — the disease could be effectively wiped out by mid-1998. "Very many more animals are being slaughtered than any of the selected cull schemes suggested in the Florence Agreement, and one's suspicion is that the Florence Agreement has been met already," he said.

Altogether more than 160,000 cases of BSE have been confirmed in Britain, although cases have been reported in 10 European countries.

BSE is one of a suite of so-called "prion diseases" or transmissible spongiform encephalopathies. Professor Anderson and other scientists meeting in London called for a Europe-wide attack on the best known of the diseases, sheep scrapie — suspected to have "converted" to BSE in cattle when infected sheep carcasses were rendered into catfeed.

One approach would be to breed animals resistant to scrapie.

Since March, BSE has also been linked with a new form of CJD, a dementia with no known cure. The Lancet confirmed yesterday that members of the government-funded CJD Surveillance Unit in Edinburgh had submitted a paper proposing on the future course of the epidemic. The study is reported to say that there could be hundreds of victims of the new variant CJD each year, with a peak in about seven years.

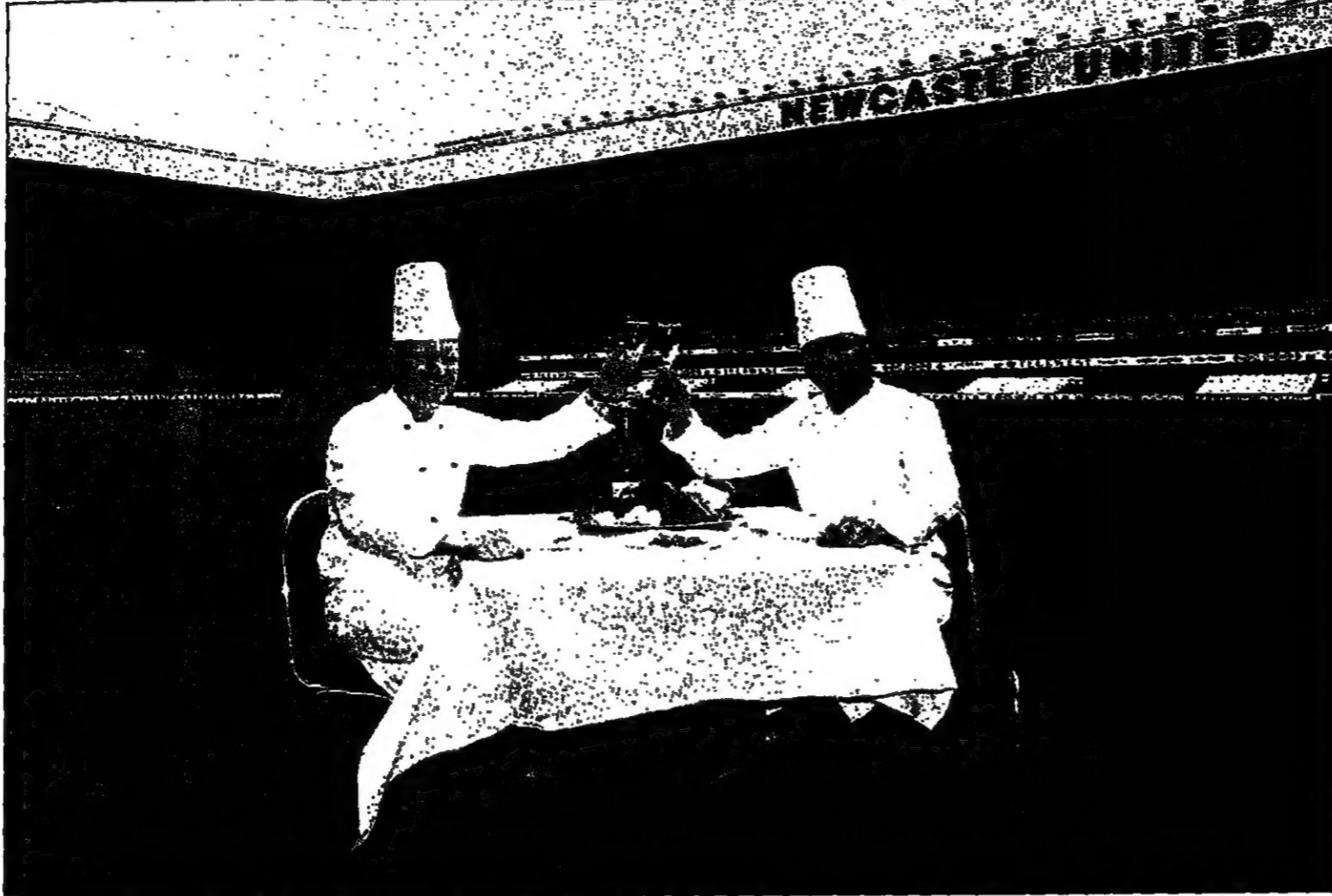
Fourteen cases of the new CJD have been confirmed since March. A few more cases are suspected but not yet confirmed. The incubation period for the disease is not known. Scientists do not know how the mysterious prion involved in the prion diseases actually transmits infection, how much exposure is necessary or whether some people are more vulnerable than others.

"It will be a number of years, perhaps even decades, before we can say with any certainty what the size of this potential epidemic is, or is not," said Professor Anderson.



Cordon blanc et noir at soccer's Premier League tables

THE quail's eggs were enough to make anyone dribble and there was no way the pan-fried scallops of venison with plump blueberries could fail to score.



They think it's olive oil over... chef John Blackmore, right, and deputy Roger Payne; above left, manageress Deborah Mackay

as lime parcels (served with fresh Cranshan smoked salmon noodles and roast monkfish, £12.75). And there was almost certainly something symbolic about the chopped-up bits of Man Utd-red side-salad dished up with my quail.

The airy restaurant, solid with 140 corporate guests at every home match, is the first Good Food Guide entry from the traditional world of lukewarm pies and dripping-soused chips.

The restaurant is only Newcastle's sixth entry in the guide, although the city's Kissel Cranshan at Cafe Procopie and foie gras with ham knuckle and pease pudding at 21 Queen St are praised.

restaurant in Alnwick, Northumberland, and posts in Park Lane, London, as well as Geneva and Berlin.

football fans can't have a bit of luxury for once instead of sipping their Bovril in the cold," said Mr Blackmore.

Magpie Room's rich pickings

SAMPLE of la carte menu at the Magpie Room

cucumber strawberry salad and fromage frais sweet dill vinaigrette (£5.75).

flavoured custard on a celeriac and carrot rosti with homemade vegetable sausage slices and coriander-flavoured sauce (£23).

pecan sponge pie with home-made marmalade ice cream. (Both £5).

Then she slipped off to show other customers the 1977 guide — flopping open automatically at the Newcastle page. "We're not going to be complacent," said Mr Blackmore. "We're now working towards a Michelin star."

Good riddance to sentimental friend

making funny crocodile shapes with her hands. She rhaphanised over the beauty of the orchard and flirts with every man, but the key to her character lies in how she ardently retrieves a scrunched-up telegram from Paris.

OJ dismisses DNA evidence

Further holes picked in story as prosecution ends questioning

THE intense prosecution questioning of O J Simpson in his civil murder trial ended yesterday, leaving America's most famous defendant down but not out.

Brown Simpson. Both were stabbed to death outside her house in the Los Angeles suburb of Brentwood in June, 1994.

peles seaside suburb of Santa Monica, Mr Petrocelli asked Mr Simpson if he had any explanation for the DNA blood matches. Mr Simpson could not explain how his blood appeared on his kitchen counter, or how blood in his Ford Bronco matched his own blood.

their disadvantage. But Mr Petrocelli disclosed that Mr Simpson was in touch by cellular telephone with Tom Lange, a Los Angeles detective. According to his criminal defense team, he was one of the policemen engaged in an alleged conspiracy to frame Mr Simpson.

Michael Billington

Ex-MP in critical condition after car crash traps workmen

TEDED Leadbitter, the former Labour MP for Hartlepool, was in a critical condition in hospital last night after his car hit a road maintenance lorry, trapping three workmen collecting road cones.

while the workmen moved between them, collecting cones. Mr Leadbitter's car hit the back of the rear vehicle, a Leyland truck, and shunted it into the other, a Mercedes.

hospital yesterday. Police said Mr Leadbitter, the local MP for 28 years, suffered head, neck, pelvic and chest injuries. A spokeswoman for North Tees hospital said his condition was critical.

curred the wrath of the then Labour leader Neil Kinnock by buying shares in British Telecom and British Gas when party policy was against privatisation.

Advertisement for Radio Times featuring a chef and the text 'See a world class chef from the dawn of time'.

Handwritten text at the bottom of the page: 'سكوتيا من الامم'

Budget leak crisis

How the Mirror cracked



The scoop the Daily Mirror had to settle for on its front page yesterday

Andrew Gull and Roy Greenslade on the bizarre game of cat and mouse started by the leak of Budget details



Editor Piers Morgan: 'I would have been branded the most disgraceful editor of all time and the Mirror the worst paper'

FOR more than six hours two Daily Mirror journalists toiled away in secret, intent on producing one of the most sensational editions in its 93-year history.

It was to be the Budget special to end all Budget specials, hitting the streets with most of the Treasury's secrets hours before Chancellor Kenneth Clarke addressed the Commons yesterday.

The journalists involved had been moved from the Mirror's notoriously leaky editorial offices on the 22nd floor of Canary Wharf, in London's Docklands. Editor Piers Morgan spirited his political editor Kevin Maguire and business editor Clive Manning to the 20th floor, where there are secure computer terminals — and there they wrote a dozen strong stories from bundles of leaked Budget press releases.

But at about 6:30pm on Monday Mr Morgan — after a vigorous debate with the reporters, several senior members of staff and Mirror Group executive Charles Wilson — took the decision not to run it.

Fifty minutes later in Downing Street, Jonathan Haslam, John Major's press secretary, took a call from the Mirror editor.

"He was pretty shocked," said Mr Morgan. "There was a long silence and I gave assurances we would not publish — and most of the hanging was over how to return the documents."

But Downing Street claims it did not have categorical as-

urances from the Mirror. It reacted with a mixture of panic and ruthlessness, reaching for the legal bludgeon of an injunction. In spite of the Mirror's verbal promises, the Government was not willing to take the risk. While Mr Major and Mr Clarke were alerted, a Mirror lawyer was told Philip Havers, counsel acting for the Treasury, would be contacting a judge to seek an injunction.

Mr Havers was well placed to find a judge: he was in the Gerrick, a haunt beloved of barristers, the judiciary and journalists. By the time the Mirror had faced a form of papers if the documents were used. Mirror journalists said there was huge anxiety at its offices. "The suits were pacing around," one said.

Mr Morgan insisted his only condition for returning the papers was that the Mirror should be thanked for its responsible behaviour; an official quote was issued by Number 10: "It is responsible of the Mirror to recognise premature disclosure of any Budget material would be against the public interest."

Reporter Anthony Harwood handed the papers to a policeman at the gates of Downing Street at 10:30pm, telling him the Chancellor would need them in the morning.

Mr Morgan said: "I'd hoped we could have handed them over at the door, with a picture of Ken Clarke coming out in his slippers."

But discussions continued with Number 10 because not all were returned. "It was not deliberate. We gave 64 pages back, but the remainder were left lying on a desk and we sent them back when asked," Mr Morgan said.

Shortly after midnight, the Government had all the papers back under lock and key — and the Mirror had its story. Over five pages — under the splash headline: "Exclusive: Tory shambles of the decade. Budget secrets leaked to the Mirror" — it retraced from printing the details.

"Some people have said any decent journalist would have published — but I would have been branded the most disgraceful editor of all time and the Mirror the worst paper. We got the scoop without

causing damage to the markets," Mr Morgan said.

His political staff were less happy. Unusually, at 11pm, in the Commons press gallery the Mirror's door was closed, the equivalent of a Do Not Disturb sign; rival journalists said the Mirror's team was in the contact they were handed 94 pages of press releases: 38 Whitehall reports, 33 from the Inland Revenue, two from Customs and Excise and one from the Scottish Office.

Mr Morgan would not comment on the source and claimed to be unaware of Fleet Street rumours that the documents had been touted around several papers.

Asked whether the Mirror had been asked for payment, he said: "We have not paid any money. I am not going into details of the source or private arrangements. The motive behind this was not financial — it was to cause embarrassment."

Last night it emerged that a freelance investigative journalist was the man who contacted the Mirror.

Whitehall sources were finger pointing rather than civil servants as the likely ultimate source. The newly privatised Stationery Office,

which prints government documents, said it was launching an investigation after suggestions that some of its staff could have been involved, although it boasts a previous 100 per cent security record. Last week, the company announced it was shedding 950 of its 2,500 workers.

Many of the key Budget documents such as the Chancellor's Red Book, which details public spending and taxation commitments, are printed at London Print Services, in Walworth, south London, a site protected by video surveillance cameras and security alarms.

Workers said they had been told some of their colleagues were to be questioned. One said the job losses had created "a very bad atmosphere in the print plant". Another said: "Normally, security is very tight because the management are very concerned about leaks."

In Whitehall, Sir Robin Butler, the Cabinet Secretary and head of the Civil Service, ordered an immediate leak inquiry. It is likely to be carried out by the Cabinet Office's security division. Police will also investigate.

Although Budget papers are no longer protected by criminal law under the Official Secrets Act, it is made clear to civil servants they face the sack if they divulge details before the Chancellor's speech.

Papers leaked to the Mirror consisted of press notices to be handed out to journalists after Mr Clarke sat down.

Only a handful of officials in the departments concerned would have seen them in advance. Many more printers and photocopying staff would have been involved in collating the press releases for 2,800 media packs, which were not prepared by officials at the Treasury until after the leak.

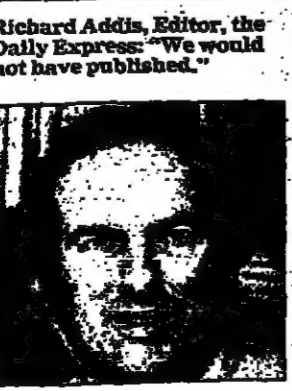
Mr Morgan insisted the decision not to publish was his and denied there had been a rift with other senior executives. "Having a good laugh at the Government is usually right up our street, but what chaos would it cause in the markets? We could not justify it because we did not know how much damage it would cause by just lobbing it into the papers."

"I discussed it with David Montgomery [Mirror Group's chief executive]. The implications were pretty huge."

Additional reporting: Ewen MacAskill, Richard Norton-Taylor, Vivek Chaudhary and David Hencke

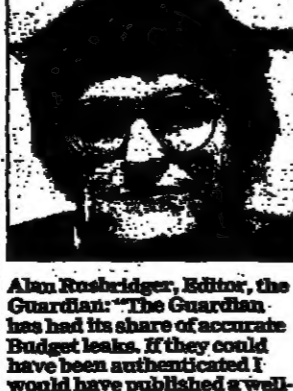
Would you have published the leaked documents? Editors reply

Richard Addis, Editor, the Daily Express: "We would not have published."



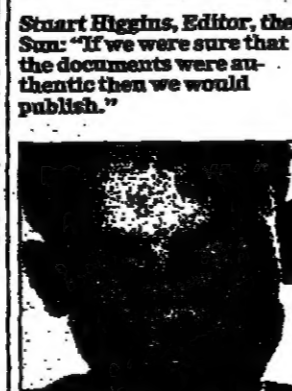
Will Hutton, Editor, the Observer: "Normally my answer is to publish, to get important documents into the public domain as quickly as possible. The in-

terest security surrounding the Budget is far too toxic in Britain. By not publishing is one saying that any attempt by the economic correspondent to get details of the Budget is reprehensible? You are sending an important message out to people who may take great risks to get important information into the public domain."



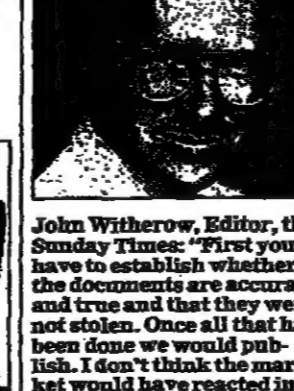
Alan Rusbridger, Editor, the Guardian: "The Guardian has had its share of accurate Budget leaks. If they could have been authenticated I would have published a well-informed piece based on the documents. I don't think it was very clever to send the papers back to the Government since they could well reveal the source."

Stuart Higgins, Editor, the Sun: "If we were sure that the documents were authentic then we would publish."



Andrew Marr, Editor, the Independent: "If some Tory politician had passed us the Budget you bet we would

have used it. If we felt it had come about through a political leak and we had not been asked to pay for the documents we would have used them. We would have been clear that they weren't stolen. This was not necessarily clear in this case."



John Witherow, Editor, the Sunday Times: "First you have to establish whether the documents are accurate and true and that they were not stolen. Once all that had been done we would publish. I don't think the market would have reacted in an extraordinary manner. As long as the documents have been obtained by legitimate journalistic means it is not a newspaper's job to keep government secrets."

In short, The Wizard of Oz is a non-stop orgy of drugs and violence; and yet its video is still certified as "U — Suitable For All". Will no one — not even the Daily Mail — protect us from this filth?

Francis Whelan

G2 page 7

Your Gateway to the Net

P5-133 INTERNET

- Intel® 133MHz Pentium® Processor
- 16MB High Performance SDRAM
- 256KB Pipeline Burst Cache
- 3.5" Diskette Drive
- Mitsumi Twelve-Speed CD-ROM
- Western Digital™ 2.5GB EIDE Hard Drive
- 28.8 Data/Fax/Voice Modem
- Integrated Creative Labs™ Sound Card with Atec Lansing ACS41 Speakers
- Integrated ATI GT 3D 2MB SORAM Graphics Accelerator
- 15" CrystalScan™ Monitor
- Desktop/Mini Tower Case
- Windows® 95 125 AnyKey™ Keyboard
- Microsoft® Mouse
- MS Windows 95
- Internet Software Bundle
- MS Generations Software Bundle
- Games Bundle
- MS Encarta™ 96 (US Version)
- 3 Year Limited Warranty

£1249 (£1501.65 inc. VAT & Delivery)

GATEWAY2000

"You've got a friend in the business."

0800 82 2000

http://www.gw2k.co.uk

Gateway 2000, Crosshough Industrial Estate, Dublin 17, Ireland.

Configuration and prices are subject to change without notice. Prices are quoted in Sterling.

©1996 Gateway 2000 Europe, CrystalScan, Intel and other logos are registered trademarks of Intel Corporation. Microsoft and Encarta are registered trademarks of Microsoft Corporation. Windows is a registered trademark of Microsoft Corporation.

Gateway is a registered trademark of Gateway 2000 Europe. All other trademarks are the property of their respective owners.

Fun For All The Family

Why not bring your family along to our Showroom at 10 Bedford Street, Covent Garden, London, WCP to find out more about our complete range of PCs. Every Thursday in December between 10.00pm - 8.00pm, we'll have 2000 series leading products to come along and play the latest computer games. Don't forget you can always get our New Year's team for advice and information.

Showroom Hours of Business:

10.00am - 6.00pm Mon - Fri, 10.00am - 6.00pm Sat, 10.00am - 6.00pm Sun

4 BRITAIN

News in brief

Police seize record haul of cannabis

POLICE have seized £2.5 million worth of cannabis during a raid at a former mushroom farm in Rushyford, Co Durham, in what is believed to be the largest seizure of its kind in Britain. Seven people were arrested.

Detectives from Durham police and officers from the North-east regional crime squad discovered three polythene production tunnels each 50 metres long and four metres high. Two contained 2,000 mature plants. Also seized was heating, ventilation and lighting equipment. Growers were using a system which requires chemicals and water but no soil.

Detective Chief Inspector Paul Green of Durham police said: "I am extremely pleased with the outcome of what has been a long and exhaustive inquiry."

Drug mother gets probation

A MOTHER who injected herself and her two young sons with lethal drugs was put on probation in a London court for two years yesterday.

The 31-year-old hospital pharmacy technician from the Isle of Sheppey, Kent, stole temazepam tablets and phials of insulin from work and returned them to her sons. Maidstone crown court was told at a hearing last month.

Distressed at the breakup of her relationship with a man, she administered the same lethal dose to herself. Her elder son, aged nine at the time, woke. Unable to wake either his mother or his eight-year-old brother, he dialed 999.

While being treated afterwards, the mother had said: "I have got no one to take care of the children. Just let us die."

The woman, who cannot be named for legal reasons, had admitted two charges of administering a noxious substance so as to endanger life in November last year.

Shooting clubs thumbs down

THREE shooting clubs near Dunblane — including one used by the mass murderer Thomas Hamilton — have been expelled by the local sports council.

The Stirling Sports Council voted to end the clubs' membership and to refund their £20 affiliation fees after an 11-2 vote.

Council chairman Gillie Thomson said: "After the Dunblane tragedy, nothing can justify support for handguns in any form. We owe it to the people of Stirling to dissociate ourselves from any organisation that uses firearms."

The three clubs — Callander Rifle and Pistol Club, which Hamilton visited; Killin Gun Club and the Bridge of Allan and Stirling Smallbore Rifle Club — have been affiliated to the local sports council since 1981.

Jailed Kurd is freed

A KURD jailed in Britain for two years on the grounds of national security and for unspecified reasons of "a political nature", was freed yesterday. Sezai Ucar, aged 27, wanted by the Turkish authorities, was released from Rochester prison, said his lawyer, Pierre Machouls.

This release follows a ruling by the European Court of Human Rights last week that Karanji Singh Chahal, a Sikh leader jailed on national security grounds, had been held illegally.

According to his lawyer, Mr Ucar had been tortured when detained by the Turkish security forces before seeking asylum in Britain. He has been given leave to remain here, though it is not clear for how long.

Roman Ates, another Kurd held on national security grounds, is expected to be released from Belmarsh prison, south east London, today. — Richard Norton-Taylor

Morrison charged with affray

RETURN of the Mack star Mark Morrison was yesterday charged with two criminal offenses after answering bail at a west London police station. The 24-year-old singer was charged with possession of a prohibited weapon and affray, following an incident at an all night supermarket last month.

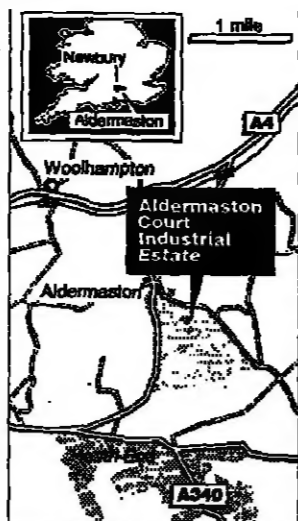
Morrison arrived at Notting Hill police station at 2pm with his solicitor and two other men who declined to give their names. After one hour they left without comment.

A Scotland Yard spokesman said: "Mark Morrison, aged 24, will appear on January 7 at Magistrate's court on two charges of possession of a prohibited weapon and affray. This relates to incidents on October 30 at a food and wine store in Notting Hill Gate."

Morrison, from Leicester, had a number one hit with Return of the Mack and has scored in the singles charts since.

Award for Guardian reporter

CHRIS MIBILL, the Guardian's medical correspondent, was yesterday named winner of the British Medical Association's medical journalist of the year award for the best journalistic contribution to the public understanding of health or medicine.



DAMAGES of £6m were awarded against the Ministry of Defence in the High Court yesterday after it waited two years to admit contamination of a site Paul Brown reports



The Atomic Weapons Establishment at Aldermaston, where plutonium contamination of a neighbouring site was not admitted for two years

Plutonium leak kept secret

DAMAGES of £6 million were awarded against the Ministry of Defence yesterday for causing radioactive contamination of an industrial estate next to its nuclear weapons plant at Aldermaston, in Berkshire.

Blue Circle Industries had sued the ministry because it said a £10.6 million deal to sell the estate collapsed when the purchaser found it had been contaminated with plutonium. There is no evidence that anyone suffered contamination in the incident.

Although the extent of the

contamination had been known "up to ministerial level" for two years before it was disclosed to Blue Circle, it was not until the sale was almost complete that the ministry sanctioned disclosure.

Mr Justice Carnworth, giving judgment, said Clive Marroway, an executive of Sun Micro-systems, a US company which was to buy the site, was shocked the contamination had been disclosed so late. "It destroyed his confidence in the Atomic Weapons Establishment's management. They had allowed three years to go by without telling Blue Circle

and without making plans to remedy the problem. He did not feel that Sun could require its staff to move to a site with plutonium contamination."

Subsequently 1,000 cubic metres of soil were removed at a cost of £350,000, and Blue Circle's own office workers now occupy the site along with a number of smaller companies which rent office space. There is a 34-bedroom hotel and conference centre.

Contamination was caused when 5/16th of rain fell in a freak storm on July 2, 1983.

Floods on the AWE Aldermaston site overflowed into a

Aldermaston villager explains why fears of a leak from the local atomic weapons plant are all just so much ancient history

WHEN Roger Brown heard in 1993 that the flood that had poured through 30 homes and the primary school in Aldermaston village four years earlier may have contained plutonium he demanded a public inquiry.

Not only was he alarmed

industrial estate in 1983 had meant that the stream running behind houses in Aldermaston High Street had become a raging torrent which flooded houses and meant half the village had to be evacuated — but no one mentioned the extra hazard of radioactivity.

Yesterday Mr Brown, who was then the district councillor for the village and is now chairman of the parish council, said: "That was a very bad day in 1993. I was stunned and upset and we wanted reassurance. We were not at all

happy about the secrecy. We wanted to know why we had not been told."

The decision yesterday brought these events back to him, but he said that since then the new management at AWE had "done everything possible to reassure the village."

At his request, Newbury borough council had paid for the National Radiological Protection Board (NRPB) to take samples in gardens and in the primary school playground to make sure that there was no radioactivity. "We discovered that the AWE had already taken samples to reassure themselves that the plutonium that reached the Blue Circle site had not come as far as the village."

"A man from the NRPB addressed a meeting of the village. We did not understand a word of it, but went away feeling a lot better."

Mr Brown is a member of the local liaison committee set up as a result of the 1993 disclosure to inform the village of any problems.

"We went back to planting vegetables in our gardens and eating them a couple of years ago. We are not worried about Aldermaston. It gives 5,000 people work, and does not affect the value of our houses."

He said that Blue Circle was entitled to protect its own commercial interest but as far as the village was concerned, it was a historic incident. "We are allowed access to the industrial site and the lake that caused all the trouble."

"People walk round it because it is very pretty. We do not worry about getting contaminated, we are sure all that has been removed."

50,000 drivers join lorry blockade, reports Alex Duval Smith

French truck drivers dispute halts Status Quo tour

ROCK fans in Belfast were last night wondering what they had done to deserve the wrath of French lorry drivers, after Status Quo's Can't Stop tour ground to a halt at a blockade in Calais.

As the number of road blockades increased to more than 200 across France, the impact of the drivers' eight-day dispute spread. Lorries carrying instruments and sound equipment for Kiss and Metallica were also stranded.

Status Quo, who were due to appear at the Ulster Hall last night and tonight before moving on to Dungannon and Dublin, said the disruption caused by French lorry drivers demanding improved working conditions was the worst to hit the band.

Its lead singer, Francis Russell, said: "We're stuck in Belfast doing the Guardian crossword and all our equipment is on two lorries in Calais. It's incredibly frustrating because in all the band's history, we've got through snowstorms and bad weather to get to gigs. We have only ever cancelled six or seven times."

French toy manufacturers yesterday joined the chorus of calls from the country's car, food, packaging and distribution industries for a rapid conclusion to talks between five transport unions and haulage companies, now in their sixth round.

Up to 50,000 French drivers of articulated lorries have joined the dispute, claiming that their employers do not respect European agreements on driving time and calling



Status Quo, whose Can't Stop tour has been halted

for retirement at the age of 55. Some 700 British lorries and at least as many from each of France's other neighbouring countries have become stuck in motorway and port blockades.

By yesterday afternoon, about 100 British drivers had taken ferries back to Dover, some leaving their trailers in Calais and others taking their loads with them.

Tesco began its promised airlift of fresh fruit and vegetables but said the extra cost would not be passed on to customers. Sainsbury's and Safeway said they might start buying supplies in France by lorry drivers con-

tinued to clog up French ports and towns.

With no sign of an end to the dispute, there were increasing fears that small British freight and food businesses could go bust.

Even when they finally get out of the blockade, drivers could face a long fight in the French courts to get compensation for damaged vehicles and rotting foodstuffs.

John Major told the Commons yesterday that Sir George Young, the Transport Secretary, had written to his French counterpart calling for an end to the dispute and underlined the need for compensation.

After the European Commission yesterday criticised the French government, saying the dispute hindered the free movement of goods, the French foreign ministry instructed prefects around the country to handle claims for damages from foreign companies.

While leaving unions in other sectors — including agriculture, rail and the police — encouraged members to take sympathy action today, their call looked unlikely to be widely heeded. The main lorry drivers' union, the rightwing CFDT, argued that a general strike would weaken support for its members.

Rough justice site wins award

Maev Kennedy Heritage Correspondent

A NOTTINGHAM museum where visitors are treated as criminals yesterday won the Cullis-Kennedy Prize for its outstanding achievements in its first year.

Lloyd Grossman, presenting the annual Guldenskan awards for excellence in museums, said he had emerged from the Galleries of Justice, housed in a Grade II* listed Georgian courts and prison complex in Nottingham city centre, thinking "Ugh, how horrible."

Visitors are given a prison number, subjected to a trial, and marched down to the condemned cells from which death on the gallows in the prison yard, or transportation, were the only escape.

The building, which includes perfectly preserved Victorian court rooms, Georgian and Victorian prison blocks, bath house and laundry, and an Edwardian police station, was saved from a developer by a charitable trust, and is intended to become a national museum of law.

The other buildings will be opened up over the next few years, with a £4.2 million lottery grant.

Staff were looking for a



Eric Wilkinson in the caves he found beneath the old city jail

blocked up Victorian passage to the laundry, to improve visitor access, when building supervisor Ernie Wilkinson broke through a brick wall and found a complex of unrecorded medieval caves. Archaeologists are still studying them, but believe they may have been the earliest prison cells on the site.

At the awards ceremony yesterday in the British Museum, Mr Grossman urged people to lobby fiercely for museums between now and the general election. "Museums are as important to society as the NHS, security or defence. They are the measure of a decent society."

Renewing your home insurance in November or December and want to save money?

If you are 50 or over call free!

0800 414 525

ref.GUN610

Lines open Monday to Friday 9am - 6pm, Saturdays 9am - 1pm

SAGA Services Ltd

the week

With specialist news, profiles and the latest developments

Read the week

Every Saturday in

The Guardian

Greece turns on migrants

Helena Smith in Athens

ATHERENS is poised to pass legislation that will turn Greece into one of the bastions of Fortress Europe after years in which its porous borders have been regarded as the Achilles' heel of the European Union.

Since the collapse of communism, Greece has become a magnet for migration from the Middle East, Africa, the Balkans and former Soviet republics. With its long, unwieldy coastline and mountainous terrain, officials say it is increasingly being viewed as the most accessible back door into Europe.

It is a very clever way of unearthing migrants, who are currently forced to work in the black market, and then deporting them when their time is up. Ms Sokou said.

"All we want is to be given our minimum rights as political asylum seekers," said Abu Ali, a Baghdad lawyer. "Many of us walked for up to 40 days to get to the land of democracy. We risked our lives crossing heavily mined land borders — and now Greece will only give us a six-month permit to live and work here."

smugglers working out of Turkey have raised fears that bone fide asylum seekers are being ignored. In the summer, Athens created a special task force of coastguards to crack down on the traffickers.

"As a signatory to the Geneva Convention, the requests of these people have to be heard under human and humane conditions," said Janvier de Riedmatten, the representative in Athens of the United Nations High Commissioner for Refugees.

Denis Staunton in Berlin reports on a sympathetic portrayal of Hitler's lover without PC pretensions

Unlikely heroine Braun takes a bow

THE BERLINER Ensemble, the theatre founded by Bertolt Brecht that became the cultural showpiece of communist East Germany, has discovered an unlikely heroine — Eva Braun, Hitler's lover who will be given her most sympathetic treatment ever on a German stage when a new play opens at the theatre on Friday.



Nap time for Hitler... The Führer dozes off while Eva Braun, his lover for 16 years, looks on in this archive photograph

public lives separate, avoiding any discussion of politics at home and keeping his relationship with Braun secret from the German public.

She saw Hitler once or twice a month, spending most of her time at their Bavarian mountain retreat watching films and collecting an enormous wardrobe of the latest fashions. She

took little interest in politics and appears never to have criticised Hitler's actions.

who nearly devastated the whole of Europe. They were together for 16 years but she was only able to achieve what she wanted — marriage — a few hours before her death.

The play will run in repertory at the Berliner Ensemble alongside Brecht's play about Hitler, The Resistable Rise of Arturo Ui.

Serb TV shuns embryonic revolution

Julian Borger in Belgrade

YESTERDAY'S edition of Politika, the newspaper run by Serbia's ruling party, carried stories about the country's glowing economic potential, a visiting Greek delegation, and the advantages of traditional Orthodox cookery.

work on the presses — its print run would be reduced from 200,000 to 80,000. Politika's editor, Miroslav Vukotic, said yesterday: "We must have to photocopy some of the pages and give them out free. But there is a lot of pressure on us. We've got our backs to the wall."

Pyramid riches seduce Albania

Joanna Robertson in Tirana reports on the huge returns investors can expect on their savings. Unless the bubble bursts

HUDDLED among the kiosks crammed into Tirana's main park, the thriving Cafe Marlboro is usually filled with drinkers. This morning it is almost deserted.

Her father has invested his life savings in a scheme, and plans to use the interest to buy a new home.

al was greeted with derision by some elements of the press convinced of the infallibility of the schemes, and a new slogan — "poshte FMN" (down with the IMF) is swelling the graffiti around town.

grimy lek notes, is Sokol. He grins and says that he has just sold his flat. He expects to double his money in just a few weeks. In the meantime, he will live with 14 members of his family in a two-roomed flat, as his brothers have also sold their property.

Secretive EU institution forced to go public about not being open

Stephen Bates in Brussels

THE MOST secretive bureaucracy of the European Union will face unwelcome publicity today for its failure to meet the supposed commitment to openness.

dors of member states, to release documents relating to meetings three years ago on justice and home affairs will be referred today to the European Ombudsman.

by Tony Bunyan, a British journalist, whose requests for documents have been repeatedly refused. It is the second such case to attempt to prise open institutions of the EU.

The latest application comes a day after the council of ministers' sister body, the European Commission, launched the Citizens First campaign to increase citizens' awareness of their rights.

The Council refused Mr Bunyan's requests on the grounds that he had applied for too many documents and that his requests were not precise enough.

World news in brief

US to evacuate aid workers from Iraq

WASHINGTON has offered to evacuate about 5,000 people from northern Iraq to protect them from President Saddam Hussein's secret police. The offer, announced by a state department spokesman, Glyn Davies, applies to employees of non-governmental organisations affiliated to the United States, and their immediate families.

Threat to American forces

ACLANDESTINE Islamic group in Saudi Arabia yesterday threatened to attack United States forces in the kingdom unless jailed Muslim militants are freed.

Aznar offends Cuba

RELATIONS between Spain and Cuba hit an all time low yesterday after Havana appears to have caught Madrid's new conservative government off guard by rejecting its ambassador to the island in protest at "flagrant interference" in its affairs.

Hong Kong law change

IN A move certain to irritate China, Britain yesterday announced plans to amend Hong Kong's laws on treason and crimes against the state, pre-empting the introduction of anti-subversion laws after the colony is handed back to Beijing next summer.

Detained pair 'not hijackers'

ETHIOPIAN radio yesterday identified the two men, a Kenyan and a Djiboutian, held as suspected hijackers of the jet which crashed-landed in the Comoro islands and confirmed that they had "no connection" with the incident.

Death squads linked to army

ACTION on advice from United States military advisers, Colombia's armed forces reorganised intelligence operations in the early 1980s, tightening ties between the army and paramilitaries who have been accused of killing civilians, a human rights report says.

Protest at Bhopal climbdown



VICTIMS of the 1984 gas leak from the fertiliser plant in Bhopal squatted outside parliament in New Delhi yesterday to protest against the dropping of manslaughter charges against executives of Union Carbide.

Literary classic found

AN original manuscript of a Japanese literary classic has turned up in a secondhand bookshop three centuries after it was written.

Economically cynical... Mr Clarke has played a trick with the figures

KENNETH CLARKE'S fourth Budget is a politically shrewd but economically dubious attempt to play Scrooge and Santa Claus at the same time. It shows the populace with pre-electoral pop corn (except for peripheralised groups like single parents, who lose their allowances, and payers of "sin" taxes on alcohol and petrol) while pretending to be doing the best thing for the economy. He is doing nothing of the sort. The last thing this economy needs - when consumer spending is already rising at over 4 per cent a year even before yesterday's tax cuts and tomorrow's building society windfalls - is fresh cuts in income taxes and allowances worth £3.3 billion a year. It's like trying to put out a smouldering fire by pouring petrol - albeit unleaded - on it. Sure, it is true as the Treasury will argue, that the revenue side of the budget is broadly neutral - with lower income taxes offset by higher indirect taxes including the effects of earlier budget decisions on the tax base - but that doesn't necessarily justify income tax cuts. The experience of recent very serious overruns on the public sector borrowing requirement (this year's is £4 billion adrift of last year's estimate even after the recent improvement) should have made the Chancellor err on the side of caution. And if there is money available then there are plenty of infrastructural projects which ought to have had priority.

Until yesterday Mr Clarke had been a surprisingly prudent and rightly praised chancellor who was determined to restore the Conservatives' reputation for economic competence after the excesses of previous incumbents. Now he is risking that reputation by trying to have it both ways. During his speech he gave the impression that huge favours worth hundreds and hundreds of millions were being bestowed on the national health service where spending is set to grow by 3 per cent in real terms (after inflation), yet when the Budget Red Book was published it showed that spending on health in real terms (after allowing for inflation) is virtually frozen for the next two years and will decline slightly the following year. Curious that. The discrepancy is explained, apparently, by the fact that it is spending on the current (ie not capital) programmes of hospitals that is going up by 3 per cent in real terms; but this is happening within an overall near-freeze on health spending in general. Yet health is something that people would happily spend more of their income on if left to themselves. Large sums were also promised for education but, since council spending in general is being squeezed, local authorities strapped for cash will either have to raid their education budgets for other priorities or raise the council tax. And what is the Chancellor's contribution to

the 4.4 million new homes that the Government tells us will be needed in the years ahead? Would you believe it, the Housing Corporation, which is the main source of new homes, is having its budget cut from £1 billion this year to £650 million next year. In 4 years (from 1993/94 to 1997/98) the Housing Corporation's budget will have been slashed by two-thirds. The "spend to save" programme - whereby spending of £800 million will save £8.7 billion in social security and other fraud over the next three years and the promises to route out corporate evasions are all very well but it looks a bit like claiming benefits which the next government will have to fulfil. His changes to capital allowances, however, look like a shrewd backdoor way of pre-empting Labour's utility tax - though, ironically it could be a future Labour government that reaps the reward.

The most worrying part of the budget is the economic judgment itself. Mr Clarke is unashamedly going for broke with a pre-electoral consumer boom. Consumer spending is forecast to rise by 4.25 per cent - and that may turn out to be an understatement. Living standards (as measured by real personal disposable income) are already rising by over 4 per cent when the economy (at the last count) was expanding at only 2.4 per cent. If you add in yesterday's tax cuts and the "wealth" effect of rising house prices plus the prospect of up to £20 billion of hand-outs from privatised building societies, it doesn't take a degree in maths to see what Mr Clarke is really up to. The Treasury says that business investment will rise by 10 per cent next year. We pray it is right - though figures released this week show that total gross capital formation in the economy is contracting by 2.2 per cent despite the 2.4 per cent expansion of GDP. The Budget forecasts state that manufacturing output - almost stagnant in underlying terms for decades - will rise from 0.25 per cent this year to 3 per cent next year and that export volume will rise by 5.75 per cent in 1997. Yet since August the pound has soared by 10 per cent against other currencies. It looks likely that in the run-up to the election we will be thrust into an old-fashioned pre-electoral boom driven not by investment and exports but by consumer spending.

The Chancellor should have tightened his fiscal stance and brought sterling down by intervention on the foreign exchanges and other means instead of raising interest rates which could push the pound up further. So far the outlook is not as bad as the Lawson boom, but that is not a compliment. Behind the superficial prudence of the budget is a cynical attempt to use the economy to win the election with scant regard for the consequences.

... but a political turning point

A Tory Chancellor admits: taxation is a respectable weapon

IT IS useful to recall, in the cold light of this morning, that to most politicians yesterday was the day to which all others in this Parliament have been leading. This was supposedly the big one. From the moment that Conservative popularity collapsed after sterling left the European exchange rate mechanism, this pre-election Budget Day was red-circled in all political diaries. Conventional wisdom held that yesterday was to be the Conservatives' best chance of taking the political initiative, hence the long speculative hysteria about tax cuts, and simultaneously that it was to be the Labour Party's most vulnerable moment, for exactly the same reason. Kenneth Clarke, self-confessedly a "political" rather than an economic Chancellor, was supposed to hold the electoral future of the Tory Party in his hands. Tony Blair and Gordon Brown were said to regard their response to this Budget as the make-or-break moment for New Labour's electoral credibility.

As so often in politics, the event did not live up to its advance billing. Mr Clarke, buoyed by a successful dousing of the Tory Eurosceptics on Monday, gave a second virtuoso parliamentary performance which cannot fail to have strengthened his personal position within the party ranks - a not unimportant achievement for a man whom many Tories and their right-wing press supporters would like to see sacked. But in other respects he failed to keep to the script that the party cheerleaders had written for him long ago. The big moments conspicuously failed to materialise as prophesied. The Prime Minister looked tense as he sat listening to the Chancellor, in marked contrast to the enthusiastic body language with which he witnessed Norman Lamont's pre-election conjuring tricks in 1991. Mr Major looked grim as his Chancellor

announced a succession of deferred post-election tax increases which will fool no one. He seemed even more sombre when Tony Blair delivered the most effective Budget reply speech by a Labour leader in years. Mr Major must have dreamed that with one mighty bound, Mr Clarke might set him free. Yet when the day came, Mr Clarke could only loosen a few bonds, and that by tightening others.

Yet if this Budget Day failed to turn out as spectacularly as both friend and foe had predicted, it could also have been a turning point of an unexpected kind. When it came to it, Mr Clarke had to try to satisfy too many masters to produce the kind of Budget which his party craved. Instead it was both economically reckless and politically cautious at one and the same time. It leaves the Government facing both ways at a time when it longed to have an eastward message. In the real world, as distinct from the Thatcherite culture of the Tory party, Mr Clarke could not do the populist things that the tabloids and his simplistic right-wing backbenchers had urged. Partly this was because he was boxed in by higher than expected borrowing. But he was also compelled to deliver a striking vote of no-confidence in the agenda and the myths which have sustained right-wing anti-tax populism here and elsewhere for the past 20 years. Tacitly, the Budget contained an admission that taxation is a respectable and necessary weapon. Mr Clarke managed to make it a pro-Maastricht Budget and at one point even spoke approvingly about the need for ours to be a "caring society", an unthinkable phrase on Tory lips in the post-Heath era. It was a sign that times, and the political debate, are moving on. That is bad news for most Tories, but it is a lesson that Labour needs to be confident enough to profit from too.



Letters to the Editor

No allowance for a married person

PAUL Ormerod and Bob Rowthorn (Keep it in the family, November 25) have two vital words missing from their misleading and illogical analysis of the potential impact of family breakdown: "women" and "men". Marriage is a more complicated business now than it has ever been. The renegotiation of the rules under which it can work successfully have been influenced less by tax reforms and legislation and far more by the abandonment of traditional gender roles (dictated as much by the labour market as feminism), the impact of two jobs on families at one extreme and long-term unemployment at the other, and the differing male and female views of the emotional investment that a modern marriage requires.

Ormerod and Rowthorn write: "Marriage performs an invaluable social function." What they should have added is that it fulfilled that function in the past because women had no choice but to accept the terms then on offer. Many therefore endured abuse and misery inflicted by their more economically and socially powerful partners. No matter how many financial incentives are artificially injected into marriage, or how many penalties are shamefully imposed on lone-parent

families, the desire to construct a decent relationship between two human beings will continue - as will the determination to end the contract if conditions become unbearable. So, better to argue for improved education which permits young people to acquire skills, qualifications and aspirations beyond teenage marriage and premature motherhood. Better to argue for more jobs and family-friendly policies in the workplace that ease the pressure on parents. New research shows that seven out of 10 fathers keep in regular contact with their children several years after the divorce. And many will testify that modern extended families which include step-parents, co-habitees and half-brothers and -sisters fare as well as "normal" families.

Ormerod and Rowthorn ask, if the present rate of family breakdown continues, who will care for the elderly in 30 or 40 years time? The answer, of course, is women. Just as they do now. Perhaps what really concerns them is not the fragility of family ties but the fragility of male security now that women no longer know their (traditional) place? Yvonne Roberts, 24 Englewood Road, London SW12 5NZ.

Man's role in a fluid world

MARTIN Kettle (In cold blood, November 23), voiced much of the unease that I have felt in observing Diane Blood's battle to be allowed to conceive a child with her dead husband's sperm. Having also lost a partner some years ago, I have every sympathy with her, but it seems to me that what she is proposing is misguided, not only legally, but also socially and emotionally. Her case is based on the premise that we should sanctify motherhood, and that this should override her husband's legal rights. Such "sanctification" is questionable, but if we must do it, surely we should sanctify parenthood on equal terms. The arguments put forward also seem to accept as reasonable the virtual exclusion of men from the process of child rearing. This seems to me to send all the wrong messages - to both men and women - about who is responsible for taking care of children. Diane Blood must now choose whether or not to continue her legal and emotional battle. If she were a friend of mine, I would want to encourage her, very gently, to let go of this. (Dr) Veronica Strang, Institute of Social and Cultural Anthropology, Oxford University, 64 Banbury Road, Oxford OX2 6FN.

Joys of Essex

I HAVE news for David McKie (In praise of the cleavage of Essex, November 20). The Government has decided to split Essex. On April 1, 1998, Thurrock will become a unitary authority and be able to take charge of its future. Free from the dictates of the leechy shores of Chelmsford, Coggeshall, Colchester etc.

We will rebuild our economy and our image which has been so tainted by decisions of the rest of Essex to force us to become the dumping ground for the detritus of London. (Cllr) John Kent, Deputy Leader, Thurrock Council, Civic Offices, New Road, Grays, Thurrock, Essex RM17 6SL.

PLANS for new housing on Althorp Estate land at Dallington Heath have been part and parcel of Northampton's future development for the past 20 years (Naturalists fight earl's plans for new town, November 25). The land is designated for housing in the borough local plan. A "park and ride" site and an integrated public-transport system form part of the proposals, which have been the subject of detailed discussion with the planning authorities. Our planning application is being considered by the county and borough councils. We believe it goes a long way to meeting the challenge of sustainability. E M Crookes, Resident agent, The Althorp Estate, Northampton NN17 4HQ.

WHY don't your over-paid political correspondents read the material they purport to quote from (Blair's awkward squad, November 25)? I never compared Tony Blair's leadership, style, hairstyle, underparts or anything about him with Kim Il Sung, Lee Kwan Yew or even Sun Yat Sen. I merely quoted one party member as comparing our policy processes with those of Kim Il Sung. I knew Kim Il Sung, Kim Il Sung was a friend of mine. Tony ain't no Kim Il Sung. Please purge your clippings file of this monstrous allegation. It could hold back my remorseless rise to the front-bench position I deserve and give an appalling example of sloppy journalism to the Sun. Austin Mitchell MP, House of Commons, London SW1A 0AA.

NO, PLEASE, FORGET WHAT I SAID ABOUT THE FAULT ON THE LINE... IT REALLY DOESN'T MATTER... JUST DON'T DO ANYTHING SILLY... HAVE A WORD WITH YOUR CHAIRMAN, I'M SURE HE'LL UNDERSTAND...

It's not good to talk if you don't act

AS A BT employee, I was amazed to read (BT won over by argument for ethical audit, November 25) that BT is arrogant enough to consider avoiding an ethical audit. This "ethical" company, having shed more than 100,000 jobs over the past five years, now employs sub-contracted labour at the cheapest rates to do many internal jobs (doorkeepers, canteen staff, cleaners) and itself employs agency staff on insecure contracts (at rates of pay just less than the proposed minimum wage) to deal with most customer queries. This helps to

explain the run-around which many customers get when they ring 151, the Fault Repair Service. There are in-house committees on everything, from disability to discrimination, but how many women, ethnic minorities, or disabled people are represented on the BT board, or throughout the "betwixt" jobs in the company? Any member of BT staff could have written this letter. However, as BT likes to threaten to sack staff who criticise the company in public, please ensure that I am credited as Name and address supplied.

A guilty verdict for the CPS

DAVID Ross reduces the failures of the Crown Prosecution Service to lack of funding (When justice takes a walk, November 19). Two women who brought a successful private prosecution for rape, and the English Collective of Prostitutes and ourselves who helped them, withdrew from Mr Ross's TV programme because this view avoids addressing bias in the CPS. Many people complain that the CPS often prioritises crimes against property over crimes of violence, depending on who is the victim and who the perpetrator. We have documented 15 cases where the CPS refused to prosecute. As in the private prosecution, each victim had a lower social status than her attacker.

Echoing the Home Secretary, the Director of Public Prosecutions wants to blame CPS failings on defendants having too many rights. But we have seen rape cases fall because of prosecutors' delay, careless presentation of evidence and even hostility to their own witnesses. Bias is not unique to the CPS: it runs throughout the legal system.

Pipe down

PIPED music has never been shown to work, ie to make people feel happier or spend more (Letters, November 25). In the Gatwick Airport Survey (of 68,077 people in April 1994), more people disliked than liked the muzak. In a survey of 1,500 blood donors in Nottingham (Proceedings of the British Psychological Association, January 1995), it was found that playing piped music to donors at clinics made them more anxious, not less.

Final proof of the irrelevance of piped music to commercial success: thriving retailers in Britain such as Marks & Spencer, Tesco, John Lewis and Sainsbury are muzak-free, unlike the struggling House of Fraser. Nigel Rodgers, The Cottage, Moorhatches, West Amesbury, Wilts SP4 4TBH.

We do not publish letters where only an e-mail address is supplied; please include a full postal address. We may edit letters shorter ones are more likely to appear. We regret we cannot acknowledge those not used.

A Country Diary

CHILTERNs: Three hard, successive night frosts had rinsed the air clear of mist, and the canal lay as still and sharp as a pane of glass. There were herons hunched along the bank, staring at their own immobile reflections. Another was poised elegantly on the stern of a moored punt. A kingfisher streaked out of a Hawthorn bush, and then - I think I had strayed into the centre of its fishing territory - flew back past me. It was flying in a way I had never seen before, wings shimmering for a few feet, then gliding, much as dipper do. It was close enough to the surface of the water for bird and reflection to form one single bizarre creature, like a giant harlequin dragonfly. I wondered how it and the heron, too, coped with the dazzle and polish of this fat calm surface. Could they see fish beyond their own mirror-images? Did they have momentary hallucinations of competing birds mimicking

IT SEEMS to me that we are [debating Mrs Blood's case not because she has put the matter into the public arena, but because we can debate it. It is, at last, an area of procreation where we can have a say. We cannot, we admit ruefully, prevent single mothers having children, cannot prevent the feckless or illiterate or (admit it) poor having children, but this woman can stop. Far from reflecting the "right" of women to reproduce, the Blood case seems to me to show how much more control many members of our society would like to have in this area, if only they could. Frankly, given that Mrs Blood could go out and have eight children by eight fathers - with or without their knowledge or consent to anything other than sex - I do not see any reason why she shouldn't have eight children by her late husband, if that happens to be what she wants. I certainly don't think she should be stopped just because the idea makes Martin Kettle squirm. Dr R Moorhouse, 108 Grange Road, Gillingham, Kent ME7 2QT.

Diary
Matthew Norman

THOSE who claim to detect traces of self-importance in my friend Andrew Lloyd Webber will feel right... as they learn of another display of humility. At the first night of Jesus Christ Superstar...

MYSTERY surrounds the showbiz career of Ian Greer, who is thought to be talking to Unique Productions, a film company owned by Noel Edmonds...

I WAS pleased to note the Independent's restraint in reporting the Budget leak, which it buried on page two...

MR KELNER's new job is, in fact, running the Mail on Sunday's estimable Night & Day magazine, which carried an enchanting group picture of leading newspaper editors...

THE T&G's parliamentary branch has held an open meeting for Westminster staff, advising them on pay and office procedure following the declaration of a general election...

THE British police make further progress in the search for equal opportunities, and Police magazine highlights the efforts of West Mercia's Tony Breeze...



Tony Blair's very strange love affair

Commentary
Catherine Bennett

AFTER the disillusionment that was Tony Blair's Desert Island Discs music selection, much depended on his choice of book...

Tebbit chose Churchill's History of the English Speaking Peoples; Neil Kinnock picked Tawney's Essays on Equality; Alan Clark wanted Bertrand Russell's History of Western Philosophy...

displayed such eagerness and unscrupulousness in enriching himself, that one critic has compared him with Robert Maxwell. What could Blair be thinking of it could be that, guided on by Major's intervention...

starring any number of men in hose women in bodices. This honour is sufficient for some to speak of a Scott revival...

'It's his spin doctors: he asks what's going to be televised in a few weeks, and they tell him Ivanhoe'

ing, scholarly interest in the history of the novel, who has expressed a desire to read over and over the quaint speculations...

and Richard the Lionheart, and between Normans (badies) and Saxons (goodies), while at the same time running into Robin Hood (merrie) and pursuing his romantic interest in the Lady Rowena.

Can he mean all that stuff about information superhighways for a New Britain if he actually wants nothing more than to escape into an imaginary age of militaristic chivalry...

Scandal that haunted the tenant of No 10



David McKie

IT seems to be taken for granted nowadays that politicians with a hinterland are better than those without one. It saves them from being obsessive...

have cost him £100,000, though £30,000 was probably nearer the mark. To sustain this splendid establishment, as well as Downing Street and a place in Chelsea...



One last time: trust me

It wasn't an exciting Budget, argues Hugo Young, but it wasn't meant to be: it was a political statement from a formidable political Chancellor who knows how to promise jam tomorrow

THERE is no such thing as a major Budget secret. The last time an Olympian Chancellor descended from the Treasury to dispense his unforeseeable wisdom...

tailed in political change. Yesterday was the beginning of that campaign, and it showed what a formidable gulf lies between the parties in the freedom of their economic debate...

The Government has some massive political problems scratching at its heart

future. Money for education? He could put a figure on it. Guarantees for the NHS? Listen to our precious and solemn comment. Worried about public services in general?

the certain reliability of the Clarke-Major promises. This was the point on which Mr Blair quite reasonably fastened in his response...

kind of things in future: balance the books, cut welfare fraud, rake in the fruits of tax evasion (£6.7 billion), lower the public percentage of GDP...

ment they are. Until they get there, they've chosen to be deeply inexplicit. Fair enough, they say in view of the vultures waiting to devour the slightest thing they have to say...

INTRODUCING A NEW APPROACH TO HEALTH. VISITING A DOCTOR WHEN YOU'RE WELL. As any doctor will tell you, prevention is better than cure... BUPA Health Monitor is available to everyone...

virus

The Guardian Budget

Taxation Spending

- Windfall tax steals Labour thunder
- Double whammy on travel and insurance
- Deep cuts in housing benefit
- Student loans sell-off frees funds for schools

Privatised companies complain of big cut in allowances for investment 'Windfall tax' put on utilities

Simon Beavis, Nicholas Bannister and Chris Barrie

THE Chancellor was accused last night of imposing "a windfall tax by any other name" as he pushed through plans to impose a dramatic cut on the tax allowances for investment in pipes, pylons and power stations.

Tax experts were quick to draw parallels with Labour's plans for a windfall tax on the utilities, but Paul Sampson, a partner in Coopers and Lybrand, said: "The point about his proposals is that they are cumulative and continuing, whereas Gordon Brown is planning a one-off hit on the utilities."

The move is expected to lead to a swift revaluation of utility shares on the stock market, and it is warnings from big investors that it could force utilities to slow investment in Britain's crumbling public services infrastructure.

At the same time it emerged that the Government has laid plans to push through an extra £720 million of spending on Magnox Electric, the company which controls those nuclear reactors remaining in the public sector, over the next three years.

The provision is designed to smooth the way for the merger of Magnox with British Nuclear Fuels, but underlines the industry's continuing heavy toll on the taxpayer despite its privatisation.

The utilities were scrambling to assess the full impact of the capital allowances move, which will increase the Chancellor's take from £45 million a year to £225 million in 1998 and £275 million in 1999.

The Chancellor is proposing that assets with working lives of more than 25 years should qualify for capital allowances of 6 per cent compared with 25 per cent now.

The electricity and gas industries appear to be most vulnerable to the measure in the short term. Water companies may be able to use the shelter of advanced corpora-

'It discriminates against capital intensive, long term investment'

tion tax (ACT) mountains in the short term but will eventually also be hit. The big telecom companies, such as BT and Energis, will suffer.

Peter Knapp, managing director of securities for Legal & General, predicted that companies, used to enjoying tax advantages, would look to limit the damage to earnings and dividends. Investment programmes were likely to be further slowed. He estimated share prices could fall by up to 4 per cent, while one leading City analyst calculated that the tax bill incurred by the average regional electricity company would increase by up to £5 million, logging 10p off the value of each share.

Utilities were last night predicting a fight with the Inland Revenue over the classification of assets.

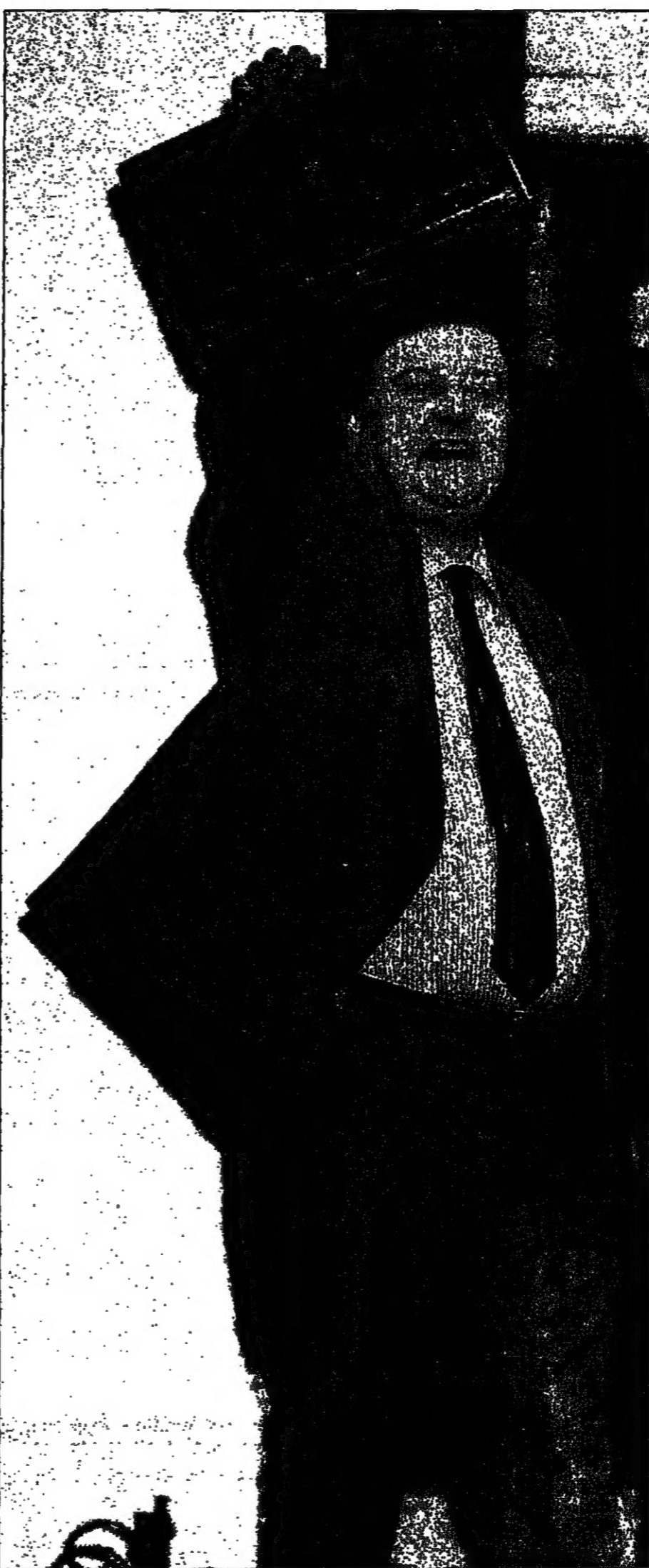
John Stiggers, director of the Society of British Gas Industries, which represents 150 gas equipment suppliers, said investment was already suffering badly from the uncertainty surrounding the Monopolies Commission inquiry into British Gas's TransCo division. "A further disincentive to invest is extremely unwelcome and knocks on across industry."

British Gas confirmed that the measures were likely to hit it and all other utilities, but said it was still assessing the impact.

The National Grid was more forthright. Calculating the cost at £10 million a year, chief executive David Jones said: "I can't understand the rationale for it unless it were an antidote to windfall tax."

Power generators were concerned that the measure would further skew the electricity market towards gas stations which traditionally operate over 15 years rather than the 30 to 40 year cycles seen in nuclear and coal plants. One senior source said: "This is a vicious blow to the utilities. It discriminates against capital-intensive, long-term investment in favour of the short-term gas merchants."

A spokesman for Hyder, the Welsh water and electricity company, said: "Water companies, more than other utilities, will be protected by their ACT mountains... but we will be turning into real tax payers; the question is when that will happen."



The Chancellor arriving to present his Budget. He claimed the economy was the best for a generation — 'a Rolls Royce recovery, built to last'

Interest rate and tax sums fail to add up

Notebook



Alex Brummer

THE central assertion of Kenneth Clarke's Budget strategy — that his tight fiscal stand removes the need for higher interest rates — does not stand up to anything but the most cursory scrutiny. What Mr Clarke solemnly presents as a prudent Budget, which avoids election giveaways, squares the arithmetic only with a degree of chicanery. While this may please the Chancellor's cabinet colleagues, it is unlikely to fool the financial markets.

There are three main areas of the Budget worth closer investigation: the economic forecasts, which are unjustifiably optimistic unless the inflation target is thrown to the wind; the belief that public spending on infrastructure can be ratcheted down through the private finance initiative; and the Chancellor's reliance on "spend to save" to end the shortfall in taxation receipts. The proposition that these latter measures could draw in some £5.7 billion of revenues over three years — far more than all his other new tax raising measures together — is fairly preposterous. However, in this last spin of the electoral dice Mr Clarke has had to rely upon mathematical tricks to deliver the trio of enticing tax cuts, a lower public sector borrowing requirement and higher spending on education and health.

The main way in which Mr Clarke aims to increase tax revenue, so as to bring down the borrowing requirement, is by growing the economy at what must be considered an unsustainable rate. The Budget forecast predicts that growth in Britain will pick up from the current level of 2.5 per cent to 3.5 per cent next year. But rather than being based on what Britain needs, export-led growth, this will be fuelled largely by consumers' expenditure, which is seen as climbing by 4.25 per cent — an unsustainable level if the economy is not to overheat.

Mr Clarke and his advisers appear convinced that there will be some recovery in exports as the economies of our main markets in Europe pick up speed: maybe. But he appears to have conveniently forgotten one of the truths of

post-war British economic management — that industry has performed best when assisted by a competitive pound. The 10 per cent jump in the value of the pound since Mr Clarke delivered his 1995 Budget could scramble our export performance.

Certainly, there is reason to believe that the Bank of England will be none too pleased with the heady consumer spending projections for next year, if it is to have any prospect of keeping inflation within 2.5 per cent. It believes that domestic demand holds the key to inflation: this will be impossible without further base rate increases.

The second difficulty with the Budget is public spending. The control total for public spending looks admirably buttoned down at a time when Mr Clarke is giving the traditional boost to the sensitive areas of schools and health, which will be part of the election battleground. This is partly being achieved, however, by cutting back on capi-

In this last spin of the electoral dice, Clarke has had to rely on tricks of mathematics

tal expenditure — the nation's infrastructure if one likes. Net capital spending, which stood at £10.3 billion in the last financial year, will fall to £8.8 billion this year and £5.7 billion in 1997-98. The decline in capital spending is made possible by taking some projects off budget through the private finance initiative, on which £10.4 billion is projected to be spent over the three years to 1999-2000. However, the PFI has been consistently behind schedule and its effects on the overall Budget numbers overestimated: the result is a slow start to critical projects, less than satisfactory infrastructure and some rather soft budgetary numbers.

The third structural weakness in the Budget is the reliance on less than solid taxation gains. One of the biggest figures mentioned by Mr Clarke was the possibility that his £900 million enforcement of tax collection would raise £5.7 billion. Even if there were a number of Rupert Murdochs paying only minimal tax, the markets would take a great deal of convincing on this.

Taken at face value, the £19 billion public sector borrowing requirement next year ought to be enough to convince the City that Mr Clarke remains a sound chap. But when one blows away at the swaying supports for this figure, the sirens sound.

Triumphalism attired in the garb of Mr Micawber

Sketch



Simon Hoggart

MR CLARKE offered a triumphalist Budget, though perhaps he should have arranged a few triumphs first. Nonetheless there was a cocky swagger to him as he belted up to the despatch box.

At one point he reminded us of his Nottingham origins, and I realised who we were watching: Albert Finney in Saturday Night and Sunday Morning, out in the late 1950s wearing his sharp new Hush Puppies, a packet of cigarettes in his pocket, downing the first tax-reduced pint of the night.

The successes are, of course, a little threadbare. The best he could manage was that this year's borrowing requirement was down to a mere £28 billion, hardly more

than a grand for every household in the country.

The Chancellor is the Mr Micawber of the deficit economy. "Annual income twenty pounds, annual expenditure, twenty-six billion and twenty pounds, result happiness!"

He even looked like Mr Micawber, too, rubicund and cheerful, spraying bad jokes around like a jolly uncle who has been too long at the alcohol, or whatever was the pale yellow liquid which he glugged throughout his speech.

It is inconceivable that he was tipsy, but he had the relaxed bonhomie of someone who plans to be soon.

The new measures against tax evasion would not, he assured us, bring about "too much interest on my tape... the first bit of Gummie is to me" sure...

A new parliamentary figure appeared in his speech, Ms Debbie Speager. She may be related to Mr Deputy Speaker. Now and again he passed a laugh, for some reason best known to himself.

Then he would cough, particularly in the passage about the need to stop people smoking.

"I haven't been converted to bubble-gum flavoured alcohol myself," he said. With any other minister this would have been irony. With Ken you suspected it was just a

matter of time. He began with a few lacklustre scripted jokes ("contrary to popular belief, I usually look in the Mirror in the morning.") then moved on to his business of the day — taunting Gordon Brown.

He said that few serious commentators doubted that growth would be lower than 3.5 per cent next year.

"I hear mutterings from the shadow chancellor... I said, few serious commentators..."

There were loud Tory cheers and jeers, but Mr Brown looked furious. He began banging angrily on his notes, then sucked in his cheeks as if sucking on an acid drop, a sulphuric acid drop.

(To stamp out bullying, some schools have adopted a "buddy" system. But Mr Brown's buddy, Tony Blair, beamed as if it was the funniest joke he'd heard all day.)

Mr Clarke's cunning was, perhaps, to make us think this was a cautious Budget for the Tories to build on next year, when in fact it was a spending spree for Labour to pick up the hills.

Soon afterwards Mr Blair made a speech which was passionate, committed and egalitarian.

As Labour MPs cheered him deliriously, I swear some of them could be seen asking: "This bloke's good. Who on earth is he?"

How the sums add up for you

Single employed person						Married, self-employed, 2 children						Married employed person						Single pensioner (aged between 65 and 74)					
Annual income £	Income tax gain/loss, £	National Insurance gain/loss, £	Loss from sections 457-461, £	Monthly gain/loss, £ 1997-98	Percentage change	Annual income £	Income tax gain/loss, £	National Insurance gain/loss, £	Loss from sections 457-461, £	Monthly gain/loss, £ 1997-98	Percentage change	Annual income £	Income tax gain/loss, £	National Insurance gain/loss, £	Loss from sections 457-461, £	Monthly gain/loss, £ 1997-98	Percentage change	Annual income £	Income tax gain/loss, £	National Insurance gain/loss, £	Loss from sections 457-461, £	Monthly gain/loss, £ 1997-98	Percentage change
3,500	0.00	0.22	-0.22	-0.78	-0.22%	3,500	0.00	0.22	-0.22	-0.83	-0.23%	3,500	0.00	0.22	-0.18	-1.43	-0.69%	2,500	0.00	0.00	-0.25	-0.25	-0.17%
5,000	4.67	-0.22	-0.22	-0.86	-0.79%	5,000	0.00	0.22	-0.22	-0.96	-0.55%	5,000	0.00	0.22	-0.18	-3.05	-0.79%	5,000	1.50	0.00	-1.10	0.40	0.10%
10,000	7.40	-0.22	-0.22	-1.22	-0.79%	10,000	0.00	0.22	-0.22	-1.22	-0.17%	10,000	-7.00	-0.22	-0.36	-1.72	0.21%	10,000	5.17	0.00	-2.50	2.57	0.36%
15,000	11.55	-1.22	-0.22	-1.55	-0.59%	15,000	0.00	0.22	-0.22	-1.55	-0.29%	15,000	-11.00	-0.22	-0.01	-2.15	0.17%	15,000	7.95	0.00	-3.52	3.85	0.46%
20,000	15.31	-2.22	-0.22	-1.79	-0.39%	20,000	0.00	0.22	-0.22	-1.79	-0.39%	20,000	-15.00	-0.22	-1.04	-2.27	0.14%	20,000	9.52	0.00	-4.52	4.17	0.43%
25,000	19.27	-3.22	-0.22	-2.00	-0.29%	25,000	0.00	0.22	-0.22	-2.00	-0.29%	25,000	-19.77	-0.79	-0.99	-2.40	0.12%	25,000	11.80	0.00	-7.13	4.47	0.36%
30,000	23.23	-4.22	-0.22	-2.19	-0.25%	30,000	0.00	0.22	-0.22	-2.19	-0.25%	30,000	-23.75	-0.79	-1.81	-2.34	0.17%	30,000	13.27	0.00	-8.05	10.22	0.71%
40,000	30.23	-6.78	-0.22	-2.39	-0.25%	40,000	0.00	0.22	-0.22	-2.39	-0.25%	40,000	-35.00	-0.79	-1.85	-16.11	0.48%	40,000	16.15	0.00	-9.13	7.02	0.42%
50,000	36.23	-8.78	-0.22	-2.59	-0.25%	50,000	0.00	0.22	-0.22	-2.59	-0.25%	50,000	-46.00	-0.79	-1.82	-12.14	0.22%	50,000	19.21	0.00	-11.20	5.03	0.43%
75,000	46.23	-11.78	-0.22	-2.79	-0.25%	75,000	0.00	0.22	-0.22	-2.79	-0.25%	75,000	-56.00	-0.79	-1.82	-5.70	0.09%						
100,000	56.23	-14.78	-0.22	-2.99	-0.25%	100,000	0.00	0.22	-0.22	-2.99	-0.25%	100,000	-66.00	-0.79	-1.74	-1.74	-0.02%						

What people really want to know is how the Budget affects their own pockets. The annual income figures are based on the 1997-98 tax year. The monthly gain or loss shows how much better off each group is as a result of the Budget. The figures show the net monthly gain or loss after all allowances and reliefs. Assumptions: (a) 5% gross income paid to contributory pension scheme. (Unemployed) (b) Contracted out of NI (SERPS)

Taxation

Lowest standard rate in 60 years bolstered by other appeals to true-blue voters, says Larry Elliott

Inching closer to 20p target

EIGHTEEN years after Mrs Thatcher's first election victory, the Conservatives will go to the hustings next spring with the basic rate of income tax 10p below the rate they inherited from Labour in 1979.

And the clear message from yesterday's Budget was that the Government will bring the main rate of tax down to its long-term goal of 20 per cent if they win a fifth term in office next year.

The Chancellor broadly followed the pattern he set last November, reducing income tax by about £2 billion, but clawing £500 million back through higher excise duties and an increase in taxes on both insurance premiums and air travel.

Mr Clarke said that the reduction in the basic rate meant it was at its lowest level since Stanley Baldwin was Prime Minister 60 years ago.

But he buttressed the headline-grabbing changes in income tax with a number of other measures designed to spread his bounty across as many of the Government's core constituencies as possible.

Small businesses, one of the backbones of the Conservative Party, were exempted from the tougher regulations on capital allowances for long-life assets and offered "substantial extra help" with next year's business rates bills.

For the green lobby, there were changes to excise duties, designed to encourage cleaner petrol and eco-friendly lorries.

While petrol went up by 3p a litre last night, Mr Clarke reduced the duty on road fuel gas by 25 per cent. Heavy goods vehicles that meet stringent environmental standards will have their excise duty cut by £500.

Apart from motorists, the only real losers from the Budget were smokers, who saw the excise duty on a packet of 20 cigarettes rise by 15p.

The rest of Mr Clarke's revenue-raising was concentrated on closing tax loopholes, by which he expects to garner £1 billion in 1997/98, rising to more than £2 billion by the turn of the century.

The Chancellor said that, once average earnings were taken into account, the average family would be £270 better off as a result of the Budget, and £1,100 better off than it was before the 1993 election.

However, the small print of the Treasury's Red Book showed that, despite the reduction in income tax, the overall taxation burden is now slightly higher than it was when the Callaghan government left office.

Higher levies on spending and increases in social security taxes have meant that the state will take 25.75 per cent of national income through taxation in the current financial year, against 24.25 per cent in 1978/79.

What is more, the Treasury's projections point to the tax burden continuing to rise for the rest of the century and beyond. By 2001/02, the last year for which the Government makes forecasts, tax as a share of gross domestic product will have risen to 28 per cent.

Treasury officials said that the rise in the tax burden was the result of two main factors.

It is assumed that excise duties on tobacco and petrol would continue to go up ahead of inflation, providing the Treasury with an additional £1 billion every year.

Further, the Treasury projects that tax allowances will rise in line with inflation, but the tendency of earnings to rise faster than prices means the tax take goes up — the phenomenon known as fiscal drag.

Labour said last night that the Government had not only proved to be a tax-raising party, but had also raised taxes in an unfair way. It said it was "give with one hand, take with the other" Budget.

Despite Labour's criticisms, the overall thrust of the Budget was more progressive than last year's, reflecting the likelihood that both main parties will be making a pitch for the votes of those on low and middle incomes at the election.

Mr Clarke told the Commons that he could have emulated Nigel Lawson in the 1987 Budget and cut 2p off the basic rate, but instead he had decided to use some of his leeway to raise personal tax allowances and widen the 20 per cent lower-rate band.

The Chancellor said that his decision to raise the personal allowance by £280 to £4,045 — an increase three-and-a-half times the rate of inflation — would help those on low incomes. He raised the threshold for paying the top 40 per cent rate of income tax by £200, in line with inflation.

Announcing the decision to shave the basic rate from 24p to 23p, at a cost of £1,250 million, the Chancellor said that hitting the 20p target was one of the Major administration's "most important pledges".

He added: "We are proving that we can move towards the delivery of the promise, and still deliver healthy public finances. Every step we take makes it more and more credible."

Mr Clarke made only modest progress towards the abolition of inheritance tax and capital gains tax — two of the Prime Minister's most cherished aims.

The threshold for paying inheritance tax was raised by £15,000 to £215,000 — £10,000 more than indexation. But the CGT-exempt amount was raised in line with inflation by £200 to £5,300.

Travel and insurance

Retailers and airlines attack rises in rates

- Premium tax up to 4 per cent
- Air passenger duty doubled

INSURERS and the travel industry were united last night in fierce condemnation of proposals to raise nearly £3 billion over the next three years from increases in both insurance premium tax and air tax.

Insurance premium tax, which applies to most general insurance policies but not to life premiums, is to be raised from its current rate of 2.5 per cent to 4 per cent. This will take effect on April 1 next year. IPT was first announced, at 2.5 per cent, in the 1993 Budget.

But what really drew the ire of the industry was the Chancellor's decision to increase the rate of insurance premium tax for non-life insurance to 4 per cent, said the ABI's director general, Mark Bolest.

The Association of British Insurers (ABI) had been braced for a rise in the insurance premium tax, but had nevertheless been lobbying hard for it to be abolished.

"We are surprised, saddened and disappointed that the Chancellor has decided to increase the rate of insurance premium tax for non-life insurance to 4 per cent," said the ABI's director general, Mark Bolest.

The ABI estimated that the insurance tax currently raises £750 million a year, a figure which will increase to £1.2 billion. The rise will add £7.60 to the £190 cost of the average family's buildings insurance; £5 to the £185 cost of the average contents insurance and £13.60 to a typical motor policy costing £340.

A spokesman for Legal & General said the industry was braced for further rises. France levies an 18 per cent tax on motor policies, while Italy applies a rate of 21.25 per cent on household premiums.

These include mechanical breakdown insurance sold with domestic appliances, travel insurance and policies offered alongside TV and car hire.

The Government has become increasingly concerned that retailers have been minimising the 17.5 per cent VAT on goods by transferring to some of the price to associated insurance products which have, until now, attracted a rate of just 2.5 per cent.

By equalising the VAT rate and the insurance duty at 17.5 per cent, the Chancellor hopes to stamp out this tax avoidance.

Martin Brackenbury, president of the Federation of Tour Operators, described the increase as "colossal". He said:

"This will do great damage to our industry, which is very price-sensitive."

Mr Brackenbury was equally critical of the Government's decision to double air passenger duty. The 55 rate for journeys within Europe is going up to £10 and the £10 rate for other international air travel will rise to £20. Mr Brackenbury said this would force the travel industry to reduce the number of holidays and increase prices.

British Midland said it was extremely disappointed by the duty increase. "We have always maintained a discriminatory passenger duty is discriminating against airlines, which are increasingly competing with other transport modes, both in the UK and Europe," a spokesman commented.

The Association of British Insurers (ABI) had been braced for a rise in the insurance premium tax, but had nevertheless been lobbying hard for it to be abolished.

"We are surprised, saddened and disappointed that the Chancellor has decided to increase the rate of insurance premium tax for non-life insurance to 4 per cent," said the ABI's director general, Mark Bolest.

The ABI estimated that the insurance tax currently raises £750 million a year, a figure which will increase to £1.2 billion. The rise will add £7.60 to the £190 cost of the average family's buildings insurance; £5 to the £185 cost of the average contents insurance and £13.60 to a typical motor policy costing £340.

A spokesman for Legal & General said the industry was braced for further rises. France levies an 18 per cent tax on motor policies, while Italy applies a rate of 21.25 per cent on household premiums.

These include mechanical breakdown insurance sold with domestic appliances, travel insurance and policies offered alongside TV and car hire.

The Government has become increasingly concerned that retailers have been minimising the 17.5 per cent VAT on goods by transferring to some of the price to associated insurance products which have, until now, attracted a rate of just 2.5 per cent.

By equalising the VAT rate and the insurance duty at 17.5 per cent, the Chancellor hopes to stamp out this tax avoidance.

Martin Brackenbury, president of the Federation of Tour Operators, described the increase as "colossal". He said:

Enforcement

Crackdown on fraud aims to claw back £7bn

- Labour claims credit for strategy
- VAT loopholes and fraud targeted

THE centrepiece of the Chancellor's Budget balancing act is an anti-fraud crackdown which he claimed would raise nearly £7 billion over three years.

In what Mr Clarke described as a "spend to save" programme, the Government will invest £200 million tackling tax and VAT dodging, and social security cheats.

Justifying his optimistic prediction for public borrowing, the Chancellor promised to make up the revenue shortfalls that had thrown this year's forecasts into disarray.

"There does seem to be an increasing tendency to exploit loopholes and use special reliefs in an artificial way to reduce tax bills. Those sort of tax cuts are unacceptable. In this Budget I will propose a number of measures to stem tax leakage, to protect the ordinary taxpayer and make sure we get the right tax from the right people."

Labour leader Tony Blair claimed Mr Clarke was relying on a strategy first suggested by shadow chancellor Gordon Brown and ridiculed by the Tories at the time.

Thousands of civil servants are being drafted into the war on fraud. Customs is to employ an extra 300 personnel and retain a further 1,100 posts, and Inland Revenue is redeploying 1,000 officers.

Customs & Excise and Inland Revenue officials will be allowed to swap information with the Department of Social Security, a move that will alarm civil liberties bodies.

The Government has also targeted a number of long-standing concessions or gaps in the tax laws.

Electrical retailers in particular will be hit by the application of VAT to product warranties. Foreign banks will see their VAT-avoidance schemes stopped.

On income tax, the Government is tightening the rules covering transfer of assets abroad.

The Budget forecast that over three years an extra £2.2 billion would be gathered by Customs through attacks on VAT evasion and avoidance, smuggling, the black economy and other fiddles. A further £2.2 billion is forecast from measures to protect social security benefits from fraud and £2 billion from the Inland Revenue clamping down on corporate and individual tax-dodging.

Some accountants cast doubt, however, on the Treasury's arithmetic. Martyn Bridges, senior partner with Deloitte & Touche and one of Britain's foremost authorities on tax evasion and fraud, agreed billions of pounds of unpaid taxes escaped the net, but added: "I don't think they'll do it [close the loopholes] over three years."

Were the enforcement machinery to be in place within six months, Mr Bridges said it would produce no new revenue for about a year.

Mike Fountain of Coopers & Lybrand said the VAT loopholes being closed were not responsible for the shortfall in revenues with which the Chancellor was now trying to deal. "They got their forecasts wrong," he said.

Among the specific areas for action are:

- VAT avoidance schemes in retailing, insurance, bad-debt relief, property and telecoms services, yielding at least £720 million in 1997/98;
- Inland Revenue measures against tax-avoidance schemes involving finance leases and the abuse of double-taxation relief by companies claiming overseas affiliates, worth a total £200 million a year;
- Collection of betting duty from illegal casinos, currently not possible under the Gaming Act;
- Cross-border smuggling within the European market and the black economy in general.

In addition to Customs, tax and social security, the Government is acting to stem abuse in several other areas, including the evasion of vehicle excise duty. From January, clamping squads will clamp or impound untaxed cars.

Roger Coove and Dan Atkinson



Window shopping... the Chancellor hopes the tills continue to ring in the run-up to Christmas. PHOTOGRAPH: TOM JENKINS

Value added tax

More work for Customs officers

- Equal treatment over unpaid taxes

THE Chancellor defused a fierce row with business by changing the rules for how long Customs & Excise can reclaim back taxes, cutting the period from six to three years.

His surprise move could force Customs to recruit more staff — just after giving early retirement to experienced officers.

The row erupted in the summer, when the Government moved to block claims

from businesses for VAT mistakes dating back to the introduction of the tax in 1979, which could have amounted to tens of billions of pounds.

A three-year limit was announced with immediate effect in July and will be legislated for in the Finance Bill.

The business world exploded with indignation at the overnight imposition of the limit, penalising companies whose repayment claims had been submitted but not agreed with Customs & Excise. Criticism was aimed particularly at the way Customs could still claim taxes from companies going back six years.

Mr Clarke surprised the tax world when he announced yesterday that he recognised the imbalance was wrong, and that it would be corrected by reducing the claim period allowed to Customs from six to three years.

"Government must not only be fair — it must be seen to be fair," he said.

"I have therefore decided that Customs' right to claim unpaid tax, in cases where no fraud or malpractice is involved, should be restricted to three years."

Legal cases will continue in the European Court to challenge the block on cases not

agreed by July, but the Budget move placates critics.

Mike Fountain of accountancy firm Coopers & Lybrand said: "It was a surprise. It seems to be an admission that back claims are higher than the Customs has admitted, so they have decided to give up the smaller number."

Alan Bucket of Binder Hamlyn said: "I would have preferred both periods to have been six years."

He said the move would necessitate more Customs officers being hired so that businesses could be visited more frequently.

Roger Coove

Little pain, little gain

Names: Sean and Amanda Bellamy
Status: married, both working, expecting a baby
Home: Totnes, Devon



SEAN and Amanda Bellamy can enjoy the prospect of having more money in their pockets as they await the arrival of their first child thanks to the cut in the basic rate of tax and changes in personal allowances.

But the two south Devon teachers were left unimpressed by the overall shape of the Chancellor's package and have no intention of changing their strong Labour allegiance.

Neither smokes, and they drink only rarely. But the couple, who live in a three bedroom terraced cottage in Totnes, are concerned about inexorably rising food bills and will be hit by increased insurance, tax and petrol costs for their seven-year old car.

Amanda earns £20,000 a year as an infant teacher in Brixham, Sean a more mod-

est £12,000 as administrator of a small independent school in Ashburton.

They calculate it costs the equivalent of a day's wages just to keep the car on the road and reckon petrol bills alone will rise by around £1.50p a week as a result of yesterday's measures.

"The car is a necessity but only because of a lack of good public transport," says Sean.

Though they liked the idea of having more disposable income both approved of paying tax to fund areas of public spending such as education.

"Despite more money going into schools what we are witnessing is a continued growth in class sizes" Geoffrey Gibbs

Pensioners let down

Names: Vera Robathan
Status: single pensioner
Home: Rednal, Birmingham



PENSIONER Vera Robathan does not pay income tax, jet off abroad, swig alcohol or expect to inherit a pot of cash. So the budget did not touch her for good or ill.

Mrs Robathan's only source of income is her state pension of £27.12 plus about £10 a week from her late husband's pension. "Tax cuts are no use to me at all," she lamented. "I don't earn enough to pay tax."

"Mr Clarke doesn't seem to have mentioned pensioners at all. I'm very disappointed."

She pays £31 a week for her privately rented home in Rednal, Birmingham, but does not smoke, drive a car or eat sweets (she is diabetic). And she certainly does not drink.

"Pensions are now linked to the retail price index,"

she said. "If only the Chancellor would restore the link between pensions and earnings, that would give me about an extra £20 a week which would do away with the need for a lot of handouts. We don't want handouts."

"The RPI link is measured in September but we don't get the money till April. But everything has gone up by then and the money has gone before they give it to you."

Mrs Robathan has just managed to win some council tax and housing benefit but admits that making ends meet is still hard. She had also hoped for a reduction on VAT on phone bills and a concession on the price of the TV licence.

David Ward

Change: No change

Spending

Richard Thomas on how the Chancellor hit 'scroungers' while plucking voters' heartstrings

Soft sell with hard edge

THE inhabitants of Middle England were the target for the Chancellor's Budget largesse, with hefty increases for hospitals, schools and police funded by a crackdown on social security cheats, and a discreet shelving of Whitehall investment plans.

While the Chancellor, Kenneth Clarke, was able to show his tough side to the jittery financial markets after announcing tough overall spending plans, he also plucked at the heartstrings of voters worried about grandmother's hip operation and the leaking roof at the local school.

Only scroungers and, ultimately, single parents, appear to be the losers from the package — although in the long-term, cuts to capital spending will be felt on the roads and by them, however, the election will be long past.

Given the stage in the political cycle, Mr Clarke's virtual cap on the key measure of spending, the control total — which strips out erratic sections of the welfare budget and debt interest — looks virtuous.

Next year the Government intends to spend a total of £266.5 billion — a rise in real terms of 0.25 per cent on the outturn for 1996/97 and £1.7 billion less than the Chancellor predicted last year. This brings total state expenditure down to 40 per cent of national income, the Chancellor's me-

firm-term target. For 1996/99 the control total will come down by another £1.9 billion — a rise, after inflation, of 0.75 per cent.

After dire warnings that hospitals would be able to provide only emergency operations, an additional £1.6 billion has been found for the National Health Service. Schools have gained an extra £230 million, assuming councils are able to pass the cash on. Even further and higher education, previously subject to a relentless squeeze, will get an extra £280 million in an effort to prevent damaging repeats of last week's strike by lecturers.

The £20 million for science sounds forward-looking, while £450 million for an extra 5,000 bobbies on the beat before next year's eve 1999 is aimed at growing fears of crime in the floating-voter suburbs.

The Treasury has managed its conjuring trick through a three-part strategy. First, cash has been raised by plundering next year's reserve, intended for unforeseen events — to the tune of £2.5 billion, down from £5 billion pencilled in from last year's Budget.

Secondly, Mr Clarke has targeted benefit scroungers, the idle unemployed and lone parents. His spend-to-save package sounds innocuous enough, evoking images of customer-friendly supermarkets. In practice it means an extra 1½ million visits from

Benefit Agency officials, to try to catch the underserving.

The Department for Social Security, which will receive an extra £600 million compared with previous plans, is charged with turning £485 million of this into a saving of £2.1 billion from reduced benefit fraud — a tough target, given earlier attacks on fraud.

The Budget also accelerated the drift towards 175-style welfare programmes, designed to lever people off the dole. The new Contract for Work and extension of the Project Work scheme signal a tougher line with claimants.

Both are intended to take the steam out of the inexorable rise in welfare spending, partly fuelled by the growth in the number of pensioners — who are too close to the Tory fold to offend this close to polling day.

Similarly, the abolition of the universal £5.50 a week One Parent Benefit for new claimants after April and the scrapping of the top-up to income support for lone mothers appear to the Tory right, trim spending plans and look pro-family.

But the third — and most effective — plank of the Treasury cost savings resulted from a wholesale shift of responsibility from government to the private sector.

The Student Loans book is to be sold off for around £1 billion, the Housing Corporation's budget has been slashed and depart-

mental investment plans have been cut, thinly veiled by predicted take-off of the much-criticised Private Finance Initiative (PFI).

Mr Clarke has taken the axe to state capital spending, which has come in at £2.5 billion for 1996/97, after depreciation, against a forecast of £10.1 billion at the time of his last Budget.

Next year, direct spending on new roads, hospitals and schools will be £5.6 billion — compared with last year's forecast of £8.5 billion.

Although Mr Clarke was at pains to stress that the PFI would plug the gap, even allowing for the initiative leaves next year's overall investment plans £2 billion below expectation this time last year.

Looking ahead, the transport budget has been fiercely trimmed with roads and London Underground — which will see an 80 per cent fall in direct hand-outs from Whitehall before the end of the century — particularly suffering.

The Chancellor predicted that the current £7 billion "agreed" under the PFI would double before the end of the century. But analysts said that even the current figure was misleading, with only a small proportion of the projects actually signed, and were doubtful about the heroic-looking forecast for a flood of private cash into public services.

Education

Student loans privatisation offsets £1 bn cut

● Universities and schools get more
● Student top-up fees less likely

THE privatisation of the student loans scheme will allow the Government to make modest increases in funding for schools and universities despite a £1 billion reduction in next year's education budget. The prospect of universities imposing top-up fees has receded.

Gillian Shepard, the Education and Employment Secretary, said she expected receipts worth about £3 billion over the next three years from the sale to private sector financiers of the accumulated debt on the student loan account. The terms for new borrowing by students will be unaffected. Most of the income will be clawed back by the Treasury to fund the tax reduction.

The universities will get £200 million more over the next two years, including £20 million for science equipment.

The Committee of Vice-Chancellors and Principals said its concerted campaign had forced the Government to recognise the funding crisis. Next month's summit of university heads now looks less likely to endorse top-up fees for undergraduates. The Higher Education Funding Council for England said resources would fall by 0.9 per cent in real terms. Threatened cuts to universities have been lifted, while the underlying problems of funding higher education have been left to Sir Ron Dearing's inquiry, due to report after the general election.

A surprise cut in funding for nursery education vouchers for the parents of four-year-olds was criticised as breathtaking by David Blunkett, Labour's education spokesman. "The bureaucratic costs remain and now amount to £1 in every £5 of the new money. The Tories are betraying Britain's toddlers and their parents and are clearly refusing to guarantee places for all four year olds."

Other changes included:

- £15 million more for grant-maintained schools to help the sector continue to expand and £20 million for the development of more technology colleges and other specialist schools.
- £22 million more for the assisted places scheme to allow 1,000 extra children from low-income families to attend independent schools.
- £90 million more over two years for further education to underpin the continuing growth of students' numbers.
- £15 million more for the Office for Standards in Education to complete the first four-year cycle of primary school inspection up to time.

John Carroll and David MacLeod

Housing

£500m cut 'goes back on pledge to the needy'

● Target 'missed by 50 per cent'
● Councils' repair funds badly hit

CUTS of nearly £500 million in house building and renovation programmes exceeded the worst expectations of housing organisations, which claimed last night that ministers had gone back on commitments to provide new homes for those in greatest need.

They warned that the cuts could mean that as few as 20,000 homes at affordable rents would be built each year — half the Government's stated target for new lettings.

Local authorities' repair programmes will also be badly hit, but there is to be more money for estates where tenants opt to leave council control to be managed by new charitable or private landlords.

The Housing Corporation, the main funder of new homes, will have its repair programmes cut from just over £1 billion this year to £552 million in 1997/98. Just three years ago, its budget stood at £1.6 billion.

Sir Brian Pearce, the quango's chairman, said: "This means that housing is not high on the political agenda. There is hardly anything left for new programmes, but we are talking about real need."

People did not realise how good quality accommodation could cut crime and improve people's education and health prospects.

The corporation had been the most successful raiser of private finance for housing, having levered in £10 billion since 1988. The cut for the corporation is £230 million worse than allowed for in last year's Budget. It warned that even taking into account other money for new social housing, there would soon be only 20,000 new lettings a year.

The Chartered Institute of Housing, representing professionals in the sector, said the Government did not care about housing. Local authority maintenance budgets would also be cut by around £250 million — the fifth successive cut.

Christine Laird, its chief executive, said: "Compare this to the promise the Conservative Party made at the last election, of £5 billion to provide 153,000 homes by 1995. We have seen Mr Clarke pare to the bone and beyond."

The cuts made no sense when the Government admitted 4.4 million extra homes would be needed in England, many for small, low-income households.

Jim Conner, chief executive of the National Housing Federation, the trade body for the social housing sector, said: "This is an outrageous settlement. The Government has clearly abandoned its commitment to a social housing programme meeting minimum needs."

But John Gummer, the Environment Secretary, insisted those most in need would still be provided with homes at affordable rents. Extra money for transferring council homes to other landlords would help meet other commitments to transforming remaining run-down estates through a partnership of private and public funds.

He also claimed a "fair and balanced approach" to local government spending overall, although council tax rises are expected to go up by far more than inflation, as ministers shift more of the costs of providing services to local levels.

He said council spending in England could go up 2.4 per cent next year to more than £46 billion, although councils are already spending considerably more than that. State grants would only rise by 1.5 per cent to £55.8 billion.

Sir Jeremy Beckett, speaking for the three main local authority associations, which had campaigned for a 5 per cent overall spending rise, said: "The Chancellor's transparent attempt to cut income tax at the expense of council taxpayers will deny public services the resources to adequately support schools, the elderly and people with special needs."

James Melville

Public spending

Department	1996/97	1997/98	1998/99	1999/00
Ministry of Defence	25.5	25.5	25.5	25.5
Foreign Office	2.5	2.5	2.5	2.5
Overseas Development	2.5	2.5	2.5	2.5
Ministry of Agriculture	2.5	2.5	2.5	2.5
Trade and Industry	2.5	2.5	2.5	2.5
Employment and Education	2.5	2.5	2.5	2.5
Transport	2.5	2.5	2.5	2.5
Environment	2.5	2.5	2.5	2.5
DoE, Local Authority and Other	2.5	2.5	2.5	2.5
Home Office	2.5	2.5	2.5	2.5
National Heritage	2.5	2.5	2.5	2.5
Health	2.5	2.5	2.5	2.5
Social Security	2.5	2.5	2.5	2.5
Scotland	2.5	2.5	2.5	2.5
Wales	2.5	2.5	2.5	2.5
Northern Ireland	2.5	2.5	2.5	2.5
Local Authorities' own spending	2.5	2.5	2.5	2.5
European Communities	2.5	2.5	2.5	2.5
Reserve	2.5	2.5	2.5	2.5
Other	2.5	2.5	2.5	2.5
New Control total	266.5	266.5	266.5	266.5
Cyclical Social Security	2.5	2.5	2.5	2.5
Central government debt interest	2.5	2.5	2.5	2.5
Accounting adjustments	2.5	2.5	2.5	2.5
General govt. spending	266.5	266.5	266.5	266.5
PSBR (excess of spending over revenue)	2.5	2.5	2.5	2.5

Law and order

Howard is a big loser

● Home Office funds fall after next year

KENNETH Clarke yesterday announced an extra £450 million will be spent combating crime next year, declaring: "When it comes to law and order this Government has got a record as long as your arm."

In fact, the Home Secretary, Michael Howard, appears to have been one of the main losers in the latest Whitehall spending round.

Although the Home Office budget goes up next year to

£5,490 million, it is due to fall in 1998/99 to £5,350 million, and in the following year to £5,380 million.

Ironically, £230 million of next year's extra money will go to the Prison Service, reversing the cuts this year.

Mr Howard said the new cash would help reduce overcrowding, providing 8,600 new prison places by the year 2000. It would also make possible security improvements.

Funding for the police is to rise by 3.7 per cent — an additional £40 million — which will enable chief constables to recruit 2,000 more officers by the end of 1998, he added.

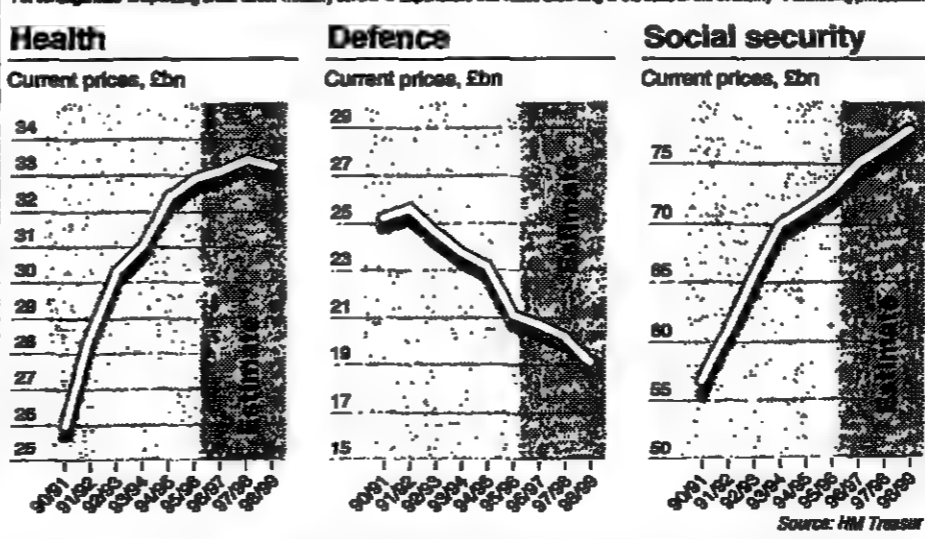
But Jack Straw, the shadow home secretary, said the number of police officers had fallen by 1,200 in England and Wales since 1994.

"This budget is a combination of broken promises, false dreams, and a significant Whitehall defeat for the Home Secretary who has failed on law and order," he said.

"There is going to be a £10 million cut in his spending in the next three years."

There was also little cheer for the probation service, which saw its budget effectively cut by the rate of inflation.

Leslie Marshall



Pinstripe winner

Name: Douglas McDougall
Status: single, employed
Hometown: Edinburgh

This is the biggest sales pitch they will ever give, enthused the 36-year-old Edinburgh bachelor, who admits he was impressed by Mr Clarke's regular enticement to a future basic rate of 30p in the pound. While too cynical to pledge instant support to the Tory cause he also admired the early foot-in-the-door promises to spend billions on education, health and law and order.

The joint partner in Pinstripe Personnel had

other reasons to be nice to Mr Clarke. A quick rattle through his calculator had put an estimated value of at least £140 on his pre-election sweetener: income-tax variations on his £18,000 annual salary more than compensated for the new state fines imposed on his weekly hundred-cigarette-quarter-bottle-of-gin habit.

"I lost £22.78 on the smoking but I can't really complain as I'm spending that to get cancer," the political neutral acknowledged cheerfully. Driving his 1.8-litre Fiat Bravo will cost him an extra £112 in petrol, but the reduction in employer's National Insurance contribution will certainly more than compensate, he found Clouston

Change: gains £192 a year (approx)

No call for champagne

Name: Alan and Sandra Blaskett
Status: Married, Alan is self-employed, 2 children 8 & 10
Home: Broadbridge Heath, Horsham, Sussex

FOR Alan and Sandra Blaskett it will not be a night for popping open the champagne corks. Mr Blaskett believes that Kenneth Clarke's budget, at its most generous, has left the family approximately £2 a week better off.

Mr Blaskett, a self-employed plumber from Horsham deep in Conservative Sussex, earns approximately £25,000 a year. Although the penny fall in the basic rate of income tax will help a little, the increase of 3p on car tax will probably take it all away.

"We have two cars in this family so immediately there is more expense," Mr Blaskett said. "And up off the income tax rate will not make a lot of difference."

Mr Blaskett said she would rather see money spent on health and education.

Broadcasting

BBC foreign services saved

● Grant raised to cover £5m shortfall

THE threat of closure was removed from BBC World Service foreign language services last night. The Foreign Office increased its grant to cover the £5 million funding shortfall the service faced in 1997/98. The operating budget has been increased to £152.4 million.

Sam Younger, the service's managing director, said: "Against a background of tight public spending this represents a considerable vote of confidence by the Foreign Secretary in the World Service."

"The settlement will allow us to move forward confidently, avoiding any further reduction in language services, but also making key investments to position ourselves for the next century."

The Foreign Office said the "disproportionate" £5 million increase was a measure of the commitment to the service in the midst of BBC director general John Birt's reforms.

The figure represents a 3 per cent budget increase, which was also intended to permit the service to prepare for digital audio broadcasts, a spokesman said.

The World Service had already found economies of £2.5 million.

Up to six language services in central Europe Africa and South America were at risk of closure.

● Plans to privatise Channel 4 were not included in the Budget after Virginia Bottomley, the National Heritage Secretary, fought off Treasury proposals to raise £2 billion by a sell-off.

A spokesman for Channel 4 said it was extremely pleased a sale was not on the immediate political agenda.

Andrew Guff and Ian Black

The increase of 3p on a litre of petrol and diesel will also hurt. Driving his business van, Mr Blaskett spends £15 a week on diesel and his wife, who ferries their two children to and from the local comprehensive school spends £10.

As non-smokers and confessed "light-drinkers", they may spend £10 a week on drinking, the freeze on beer duty and the cut in spirit duty will have little effect.

The Blasketts admit that their Conservative loyalties, which held solid during the 1980s, have wavered during the 1990s recession.

"I think the Tories will still get my vote although the Budget will not affect me either way," Mr Blaskett said.

Change: gain £240 a year (approx)

Financial Editor: Alex Brummer
Telephone: 0171-239-9610
Fax: 0171-833-4456

As Brent Star moulders in a fjord, European Union ponders the vast cost of decommissioning all redundant offshore installations Oil firms face £13bn clean-up bill

Celia Weston
Industrial Correspondent

EUROPE'S oil and gas companies face a £13.6 billion bill for disposing of offshore rigs and platforms in the wake of the resurgence of the political controversy which dogged the Brent Spar.

This is the key finding of a confidential report commissioned for the European Union's environment and energy directors, seen by the Guardian, and discussed at a private meeting last week. It details concerns about the fate of more than 1,600 offshore installations, most of which will end their life within 30 years.

Estimates in the 600-page report put costs at £13.6 billion for removing steel structures alone, excluding concrete base structures and the disposal costs of floating

production facilities. The study estimates a cash outlay of £230 million to £266 million each year for 26 years. Such reports are commonly used as a prelude to the European Commission preparing legislation. Difficulties for the exploration and production companies would increase if the EU decided it was politically expedient to legislate to limit the disposal methods companies are allowed to use. The report says: "Typically oil and gas fields have an economic life of 30 to 40 years and it therefore follows that a much larger decommissioning programme will be required over the next decades, predicted to peak during the period 2010 to 2020."

EU environment commissioner Ritt Bjerregaard, who intervened energetically during the Brent Spar oil storage buoy controversy, wants to be

seen to take a hard line. But information in the report will also be available to the Oslo/Paris commission (OsPar), which controls the rules for dumping and waste disposal at sea and includes all European countries. Other European Union commissioners are only likely to back a call from Mrs Bjerregaard to get tough on the oil companies through legislation if OsPar's decisions are seen as not hard-line enough.

The sea-based activity working group of OsPar is due to consider the rules for decommissioning offshore installations at its meeting on December 2. Its recommendations will be put to the full commission meeting next June.

The oil and gas industry will continue to argue that disposal at sea should not be ruled out as an option - including the possibility of turning rigs into reef-like havens for sea life.

Even before Brent Spar, still lodged in a Norwegian fjord pending a decision on its fate, the industry argued that any decision on suitable disposal options should be made on a case-by-case assessment. The UK Offshore Operators' Association said last night the industry "remained committed to finding the right balance between the risk to human health and safety, environmental impact, technical feasibility, economic considerations and public concern".

There was no such thing as a typical installation, a spokesman said, so no single method of disposal would be suitable for all.

The report says that bordering EU states there are 600 offshore oil and gas platforms, 430 sub-sea structures and 600 sub-sea wellheads.

Established international conventions specify the total removal of smaller structures in shallow water - anything weighing less than 4,000 tonnes excluding deck and superstructure sited in less than 75 metres of water.

The report concedes that it could be difficult to remove the concrete substructures of offshore platforms. "Except for a scale model test, no experience exists in this area," it says, but concludes that the industry is "technically capable of safely removing most steel platforms and sub-sea structures entirely."

It is forecast that, at peak, 25 installations will be abandoned each year



Platform for protest... Greenpeace in action on Shell's redundant Brent Spar buoy. If environmentalists have their way, operators will face decommissioning bills of £13bn or more

Grid slices ever deeper into staffing

Power firm accused of putting profit before safety as more jobs go, writes Chris Barrie

THE National Grid was accused yesterday of placing power supplies in jeopardy by ordering drastic job cuts to fund higher pay-outs to shareholders. The Grid runs the electricity transmission system in England and Wales. It intends to cut 750 jobs, 50 per cent more than originally planned, in order to protect profits from tough price caps imposed last summer by the industry watchdog, Prof Stephen Littlechild. The move will reduce the workforce by 17 per cent to 4,113 people and comes on top of 1,500 job cuts since privatisation. The latest cuts were announced as the Grid turned in a 12.7 per cent drop in pre-tax profits of £292.7 million on £712.3 million turnover. Unions condemned the job losses and the Grid's decision to raise the pay-out to shareholders by 8.3 per cent to 4.15p a share, at a total cost of £75 million. Sol Misad, deputy head of energy at the Union trade union, said employees were bearing the brunt of tough regulatory decisions by Prof

Pearson gains best-sellers in US takeover

PEARSON, the media and entertainment group, is paying £200 million to buy Putnam Berkley, the American publisher whose top authors include Dick Francis, Patricia Cornwell, Tom Clancy and Kurt Vonnegut. The deal, Pearson's second big publishing takeover this year, will give the combined group a 12 per cent share of the crucial US market and turn Pearson's publishing subsidiary, Penguin, into a "powerhouse in both the frontlist and backlist", according to Michael Lynton, Penguin's chief executive designate. There were concerns in the City that the acquisition might turn out to be miss-timed. The consumer books market is, according to analysts, heading into "reverse" which could result in poorer profits. But Mr Lynton - the former Disney executive who takes the helm at Penguin at the end of the year - said Penguin USA and Putnam had outstripped the industry's average growth rate and sales were looking "healthy and robust". There should also be cost savings of about \$20 million a year from the acquisition which will increase Pearson's share of trade book sales in America to 12 per cent. A one-off integration charge of between \$5 million and \$10 million is expected. Putnam Berkley is being sold by the entertainment giant, MCA, in which North American drinks group Seagram has an 80 per cent shareholding. It is understood the company wants to concentrate on its film and music businesses and is reluctant to invest sufficient capital or management time to continue to expand in book publishing. Mr Lynton said Penguin and Putnam complemented each other "extremely well in terms of both authors and people". Although Penguin's catalogue of contemporary authors includes current best-sellers such as Stephen King, the company is regarded as highly dependent on its back catalogue of classic writers.

Portillo lifts hopes of German order for Eurofighter

DEDEFENCE Secretary Michael Portillo yesterday raised hopes for safeguarding up to 100,000 British jobs by declaring himself "pretty confident" about Germany's commitment to the four-nation Eurofighter project. Mr Portillo's comments, made in the Commons, came after a meeting last week with Volker Rühle, his German counterpart, who is understood to be ready to announce a firm German order for 180 aircraft early next year. "I am pretty confident now about the attitude of the German administration, but, of course, it does have to go through the Bundestag and you can never take parliamentary votes for granted," Mr Portillo said, referring to stiff German opposition to the £2 billion Eurofighter project. Mr Rühle is negotiating with Theo Waigel, finance minister, and Dasa, the German participant in the Eurofighter project, about details of funding the production phase. This is due to begin in Britain, which is ordering 232 aircraft, early in 1997. But Germany, struggling to cut public spending and the budget deficit in order to qualify for the single European currency, is likely to draw up a three-year programme to fund initial production. The overwhelming bulk of the money would be committed in the 1998 and 1999 budgets. British Aerospace will build the aircraft at Watlington and Sandebury in Lancashire, and Brough, Humberside. Engines will be provided by Rolls-Royce's Bristol plant. The defence ministry reckons the Eurofighter project will create 18,000 jobs directly and 84,000 indirectly but export orders could boost the total gain to 300,000.

Swiss bank's European HQ moves to London

SWITZERLAND'S biggest bank, Union Bank of Switzerland, is moving the management of its European region, which includes the Middle East and Africa, from Zurich to London. The region will be run by David Robins, currently chief executive at UBS UK. The move, announced yesterday, came as the bank revealed that it is to take a £1.4 billion charge against possible future domestic debt, and will chop back its branch network in Switzerland with the loss of 800 jobs. The changes, which underline the country's economic plight, will push the bank into the red to the tune of 500 million Swiss francs (£233 million) this year. The switch to London is to some extent symbolic because operations such as corporate finance, equities, fixed income and derivatives are already carried out from the City. However, it is likely to be taken as a clear signal that UBS regards itself as an international rather than a Swiss bank. It is also likely to boost morale among staff within the international business who feel their efforts have been overshadowed by the problems of the domestic banking business in Switzerland. Mr Robins will become the third non-Swiss member of the bank's group executive board. Announcing the decision to make provision against the risk of future losses, UBS chief executive Mathis Cabiellavetta said: "Shareholders can be sure that group results will be significantly stronger in the years ahead, as new unexpected provisions will no longer be a constraint on earnings." UBS said it would close 30 of its 265 branches in Switzerland, and the bank is planning to reduce the number of regions into which its Swiss business is organised from 31 to eight. The reorganisation is expected to cost about 120 million Swiss francs and produce annual savings of 200 million Swiss francs. The Swiss banking industry has seen a series of initiatives this year as the big players seek to reduce costs in the fiercely competitive market. Back in April UBS rejected a merger approach from CS Holdings on the grounds that such a move would "place great strain on financial and management resources". In July CS Holdings announced its own restructuring with the loss of 5,000 jobs worldwide, including 3,500 in Switzerland.

Severn Trent to buy back shares

SEVERN Trent, the country's largest water group, is to press ahead with proposals to buy back up to 10 per cent of its shares in a move that would cost about £274 million at the current market price. The group's plan to enhance shareholder value through a takeover of South West Water was blocked at the end of last month by Trade and Industry Secretary Ian Lang on advice from the Monopolies and Mergers Commission. The Severn Trent board won shareholder approval for a buy-back at the last annual meeting but decided not to go ahead with the scheme while it was pursuing South West Water. The board said yesterday that it would start buying shares "as soon as is appropriate". It also intends to seek to renew its powers to repurchase capital, at the annual meeting in July 1997. It is following the example of a number of water companies in returning funds to shareholders before a Labour government could impose the threatened windfall tax on privatised utilities. Severn Trent, the main water and sewerage group in the Midlands, yesterday reported that first-half pre-tax profits rose 4.2 per cent to £197 million after £4.5 million of exceptional costs related to its bid for SWW. The interim dividend rises 14.1 per cent to 10.5p net a share. Chief executive Vic Cocker said the group's capital requirement for business growth was relatively modest but he pointed out that it had committed an extra £70 million to new investment in water services. The non-regulated Biffa waste management business produced "excellent results" with profits up by almost 13 per cent. Frank Dobson, shadow environment secretary, said: "Severn Trent is now making £744 profit out of its customers every single minute of the day." At the same time, the group's capital investment was at its lowest level since privatisation in 1988.

TOURIST RATES - BANK SLIPS

Australia 2.00	France 8.36	Italy 2.481	Singapore 2.29
Austria 17.30	Germany 2.4750	Malta 1.51	South Africa 7.28
Belgium 50.92	Greece 392.45	Netherlands 2.7800	Spain 208.00
Canada 2.7850	Hong Kong 12.62	New Zealand 2.29	Sweden 10.96
Cyprus 0.7470	India 59.71	Norway 10.47	Switzerland 2.18
Denmark 9.54	Ireland 0.97	Portugal 259.80	Turkey 183.258
Finland 7.99	Israel 5.82	Saudi Arabia 6.24	USA 1.6370

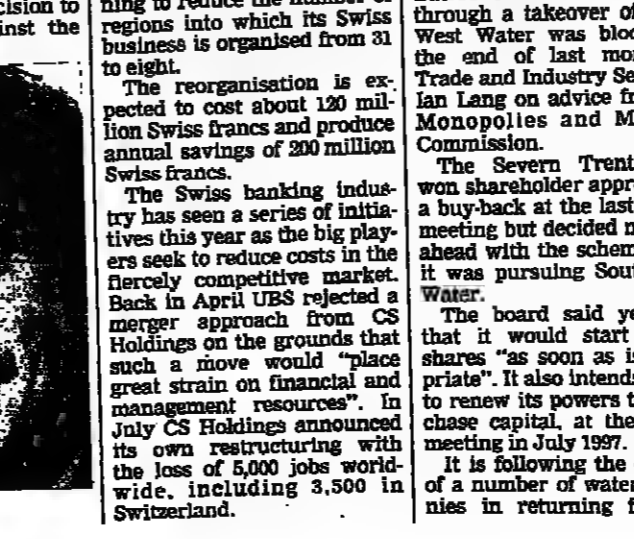
Swiss bank's European HQ moves to London

SWITZERLAND'S biggest bank, Union Bank of Switzerland, is moving the management of its European region, which includes the Middle East and Africa, from Zurich to London. The region will be run by David Robins, currently chief executive at UBS UK. The move, announced yesterday, came as the bank revealed that it is to take a £1.4 billion charge against possible future domestic debt, and will chop back its branch network in Switzerland with the loss of 800 jobs. The changes, which underline the country's economic plight, will push the bank into the red to the tune of 500 million Swiss francs (£233 million) this year. The switch to London is to some extent symbolic because operations such as corporate finance, equities, fixed income and derivatives are already carried out from the City. However, it is likely to be taken as a clear signal that UBS regards itself as an international rather than a Swiss bank. It is also likely to boost morale among staff within the international business who feel their efforts have been overshadowed by the problems of the domestic banking business in Switzerland. Mr Robins will become the third non-Swiss member of the bank's group executive board. Announcing the decision to make provision against the risk of future losses, UBS chief executive Mathis Cabiellavetta said: "Shareholders can be sure that group results will be significantly stronger in the years ahead, as new unexpected provisions will no longer be a constraint on earnings." UBS said it would close 30 of its 265 branches in Switzerland, and the bank is planning to reduce the number of regions into which its Swiss business is organised from 31 to eight. The reorganisation is expected to cost about 120 million Swiss francs and produce annual savings of 200 million Swiss francs. The Swiss banking industry has seen a series of initiatives this year as the big players seek to reduce costs in the fiercely competitive market. Back in April UBS rejected a merger approach from CS Holdings on the grounds that such a move would "place great strain on financial and management resources". In July CS Holdings announced its own restructuring with the loss of 5,000 jobs worldwide, including 3,500 in Switzerland.

Severn Trent to buy back shares

SEVERN Trent, the country's largest water group, is to press ahead with proposals to buy back up to 10 per cent of its shares in a move that would cost about £274 million at the current market price. The group's plan to enhance shareholder value through a takeover of South West Water was blocked at the end of last month by Trade and Industry Secretary Ian Lang on advice from the Monopolies and Mergers Commission. The Severn Trent board won shareholder approval for a buy-back at the last annual meeting but decided not to go ahead with the scheme while it was pursuing South West Water. The board said yesterday that it would start buying shares "as soon as is appropriate". It also intends to seek to renew its powers to repurchase capital, at the annual meeting in July 1997. It is following the example of a number of water companies in returning funds to shareholders before a Labour government could impose the threatened windfall tax on privatised utilities. Severn Trent, the main water and sewerage group in the Midlands, yesterday reported that first-half pre-tax profits rose 4.2 per cent to £197 million after £4.5 million of exceptional costs related to its bid for SWW. The interim dividend rises 14.1 per cent to 10.5p net a share. Chief executive Vic Cocker said the group's capital requirement for business growth was relatively modest but he pointed out that it had committed an extra £70 million to new investment in water services. The non-regulated Biffa waste management business produced "excellent results" with profits up by almost 13 per cent. Frank Dobson, shadow environment secretary, said: "Severn Trent is now making £744 profit out of its customers every single minute of the day." At the same time, the group's capital investment was at its lowest level since privatisation in 1988.

David Robins



David Robins

صدا من الاصل

Cricket

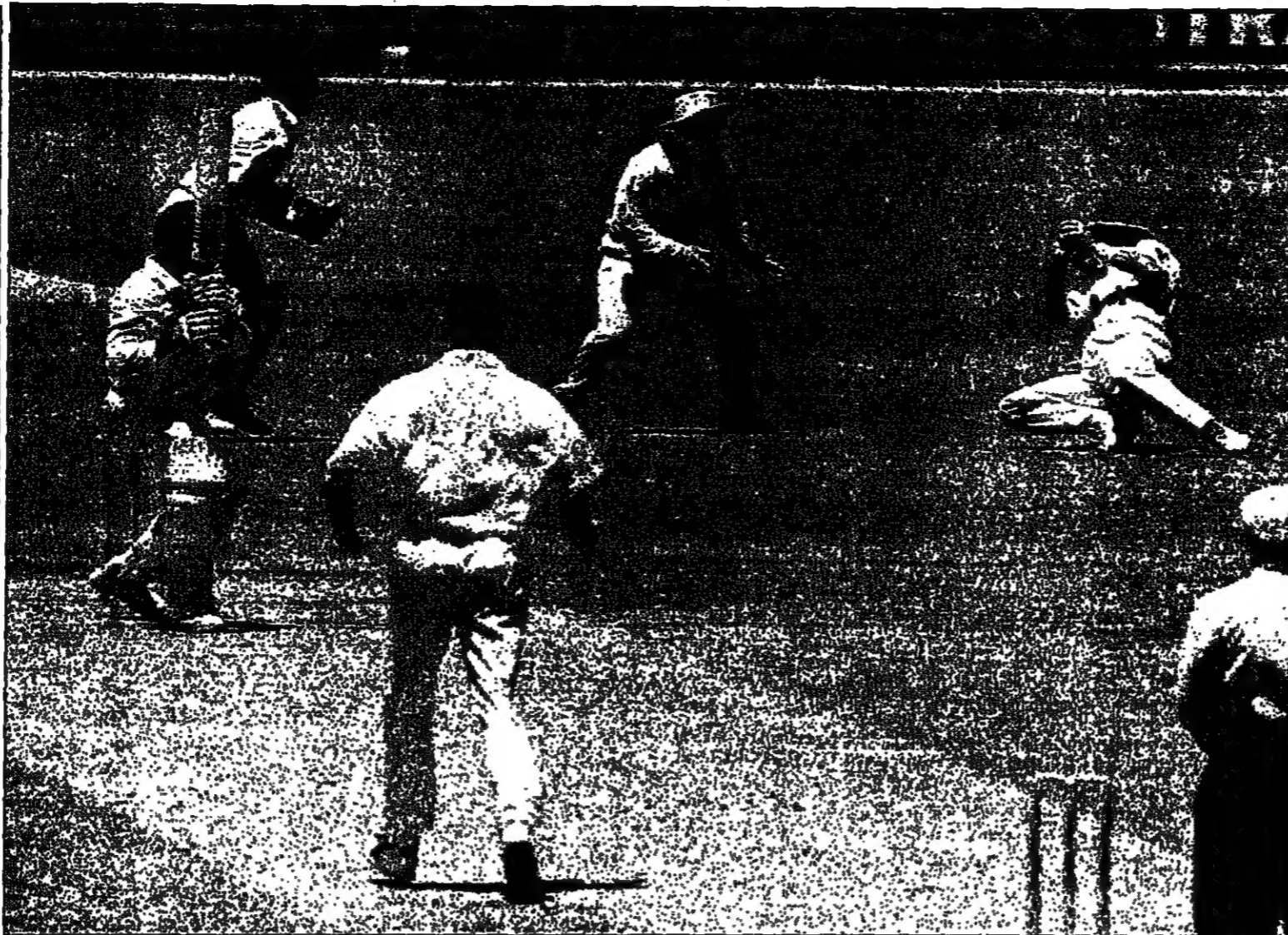
Australia v West Indies: first Test, final day

Bevan overturns Windies

Mike Selvey in Brisbane

PERSONAL achievement, said Ian Healy after the first Test finished at The Gabba yesterday, is all very nice but nothing beats the feeling of having fought a good fight and won. For Australia it was sweetest itself as they chipped and chivvied away at West Indies' batting until, five deliveries into the final hour, Glenn McGrath, in his 30th over, fired the ball into Kenny Benjamin's pads and saw his weary appeal upheld to give Australia victory by 123 runs.

West Indies had started the final day on 80 for one, with Sherwin Campbell and Brian Lara at the crease, and nurtured genuine hopes of



Casualty of Waugh... Brian Lara deflects Reiffel's bullet to second slip where Mark Waugh holds firm under fire to bag the catch. PHOTOGRAPH: DAVID MUMFORD

AUSTRALIAN First Innings 479 (I Healy 101*)	
WEST INDIES First Innings 277 (C Hooper 102)	
AUSTRALIAN Second Innings 217-6dec (Mark Waugh 57)	
WEST INDIES	
Second Innings (overnight 88-7)	118
I Campbell bow to Brown	23
R Samuels c Taylor b Warner	23
B Lara c M Waugh b Reiffel	22
C Hooper c Healy b Stanger	22
S Chandernagore b McGrath	14
I Adams bow to Warner	14
C Browne c Healy b McGrath	10
I Bishop c Fostling b Stanger	7
C Ambrose c Warner b McGrath	7
B Benjamin bow to McGrath	7
K Walsh not out	1
Extras (nb7, lb, 10)	18
Total (108.5 overs)	206
Fall of wickets 84, 118, 164, 177, 222, 241, 261, 283	
Non-runners G McGrath 22-11-80-4; M Samuels 13-0-2-2; P Reiffel 16-0-2-1; S Warner 41-11-62-2; M Stanger 14-3-4-3	
Australia won by 123 runs.	

knocking off the remaining 331 runs they required. Instead triumph and disappointment sat alongside each other.

To Campbell went the glory, as he batted almost to the end of the match — he was ninth out after more than 6½ hours — to score his second Test century. It was a composed, mature effort which promised even better things to come. On the way he passed 1,000 Test runs in only his 30th innings, and even Lara required one more than that.

The rest disappointed. There was no collapse this time, just a steady decline as batsmen played themselves in but failed to make Australia pay. Until Benjamin, everyone, even Jimmy Adams, who is playing more like Grizley Adams, had spent at least half an hour at the crease but only Lara, whose 44 occupied 96 minutes, was able to keep

Campbell company for more than an hour. Only 18 minutes more from each batsman and the match would have been saved. As it was, a final score of 206 meant that West Indies had to look back 11 innings, to Perth and the final match of their last series here, to find when they last reached 300 against Australia.

To their enormous credit Australia, who after being put in had survived a torrid first morning when the ball regularly beat the bat, had the patience to bowl out West Indies first time round and then kept going on the final day when the pitch, normally a dusty ally to Shane Warner by that stage, still held together. Warner, on his return to the

Test arena, found spin only from the bowlers' footmarks and managed only two wickets in 41 overs.

Instead wickets came from other sources. McGrath had a wonderful series in the Caribbean 18 months ago and has begun well here with four for 60 yesterday and six for 92 in the match. But the real surprise came from Michael Bevan with some viciously spun and bouncy Chinaman and googlies. Australia's captain Mark Taylor said that he had always had it in mind to give the left-hander a bowl to take the pressure off Warner, but he would surely not have expected the response that brought three for 41, including the wicket of Campbell.

However, the key dismissal of Lara was credited to Paul Reiffel, and was a gem that proceeded some unmitigated rubbish. Lara's intentions had been clear, with some searing, unstoppable early strokes. But in his first over of the day Reiffel, not for the first time, slanted the ball across the left-hander, who sent an edge like a shell to Mark Waugh at second slip.

The force of the catch knocked the fielder off his feet but Waugh does not drop such chances. Reiffel, who had conceded seven runs in his previous two deliveries, had the grace to look embarrassed. This was the day, though, that Campbell joined the big league. He had made his

maiden Test century in his previous match, scoring 226 against New Zealand in Bridgetown, but that will pale compared with this effort. He had looked nervy on Monday evening and suspect outside the off stump, his footwork twitchy rather than purposeful. But yesterday he dug deep, defended solidly, saw the ball early but played it late, and significantly, coped with Warner. Only when Taylor gave the second new ball to Reiffel did Campbell become extravagant, taking 10 from the first over to reach 97, before he eased McGrath through midwicket to reach his hundred.

The remaining batsmen had been instrumental in their own downfalls. In particular, Hooper might have taken longer than three balls to assess Bevan's merits before trying to sweep, and Chandernagore's loose drive as McGrath went round the wicket will not stand as a beacon in his career.

Neither side escaped unscathed for the second Test beginning in Sydney in two days' time. Australia have called up Greg Blewett, probably because of his capacity to bowl some seam, rather than Stuart Law to replace the injured Steve Waugh, and have added another leg-spinner, Peter McIntyre, to the squad.

West Indies meanwhile have some concern over Benjamin's left knee. only four appearances because of a shin injury. Martin Speight has asked Sussex to release him so that he can start keeping wicket again. The hard-hitting batsman insists he has not been influenced by the recent departures of high-profile players at Hove.

Silverwood awaits his big chance

Daniel Roberts in Harare finds musical England are on the same wavelength

THE last time a full England team visited these parts, some 32 years ago, this city was called Salisbury. And you can bet your life that four of the party did not turn up clutching guitars. The wives are not being allowed on this tour, so the chaps must have something to do when it rains.

The melodic qualities of England's very own Fab Four — John Cawley, Alan Mulhally, Andrew Caddick and the physiotherapist Wayne Morton — are open to question but there can be no disputing the squad's determination to succeed against Zimbabwe and New Zealand in the next 100 days.

Darren Gough, Caddick, Mulhally and Silverwood are the only specialist quick bowlers and the likelihood is that at least three will play in the Tests. Lloyd said: "Silverwood should be rubbing his hands at the chance. It is a terrific opportunity for the lad. He is 21, we have identified his talent and now he can force his way into or close to the Test team."

Silverwood, a black belt in karate, can scarcely comprehend his ascent. "A few months ago," he said, "my ambition was to gain a regular place in the Yorkshire side. Now I've leapt above several other fine young bowlers and I'm on an England tour. This is a wonderful chance and I aim to do anything I can to take it."

Lloyd was here last winter as coach of the England Under-19 squad, so his rise has been similarly rapid. He described the practice facilities at the Alexandra Sports Club as "adequate" and the team will have nets in the mornings and afternoons of the next two days.

Fast-man Follett joins Northants

THE fast bowler David Follett has joined Northamptonshire on a two-year contract after deciding to leave Middlesex for domestic reasons. The 29-year-old headed Middlesex's County Championship bowling averages in 1996 with 23 wickets at 19.91 but made

RAC Rally

Back to reality after three days in the dream machine

Maurice Hamilton tacked Killer Kielder and survived to tell the tale as he took the Fleet Street award for the first journalist home

IT WAS crisp, bright and still in Cheshire yesterday morning. The perfect conditions increased the sense of disbelief that the events of the previous three days had happened and the Guardian/Observer car had actually finished the Network Q RAC Rally, never mind the bonus of taking 28th place and the Fleet Street award for the first journalist home.

When Tony Jardine and I had set off from our temporary headquarters three days previously, the countryside was coated in snow and a biting wind warned of trouble ahead when we started the first leg in Northumberland. Even so, the treacherous conditions went far beyond our worst fears. Running in 90th position, we were ideally placed to see the mistakes of others as we picked our way past damaged and abandoned cars deep in Kielder Forest. It was clear that finishing

the first day would automatically move us up the leaderboard, but the difficulty was staying on a road which was coated in ice, polished to a dangerous degree by the cars that had passed through. The fact that we had only one spin was a tribute to the driver's skills.

though Saturday was exceptionally demanding, the hard work was yet to come. The second leg, an apparently straightforward mix of short stages in the grounds of stately homes, provided many traps even for the wary, as two wrecked cars, previously in the top 10, proved with dramatic effect. By Sunday night we were in 50th place and very relieved to be there.

The adverse conditions also put a massive strain on the organisers as the train of cars and support vehicles tackled the 1,100-mile route, and yet the event somehow ran smoothly.

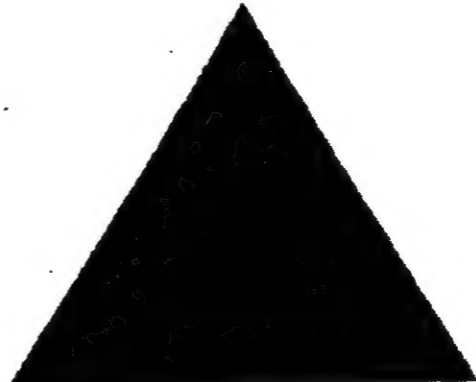
The marshals, soaked and cold as they manned the forest stages, were unpaid, one of the few rewards being the RAC Insurance Services stickers handed out by my PR-conscious driver as he thought of our sponsor and the £20,000 bill at the end of the three days. All of which made finishing even more imperative and a nagging thought as we sat waiting for Monday's first stage at 6am.



White lightning... the Guardian's man helps set the pace. Escort Cosworth taking a merciless beating as we moved through the field. Such was the sense of elation and satisfaction that thoughts of backing off to reach the finish only became part of the tactical approach on the final stage. It had all seemed like a fast-moving dream. Eighteen hours later, the feeling of warmth and well-being was due to more than the morning sun.



Glass. Handle with care.



Glass. Handle with joy in your heart and a spring in your step.



Bass HAND PULLED SINCE 1777. IN PINT BOTTLES SINCE 1996.

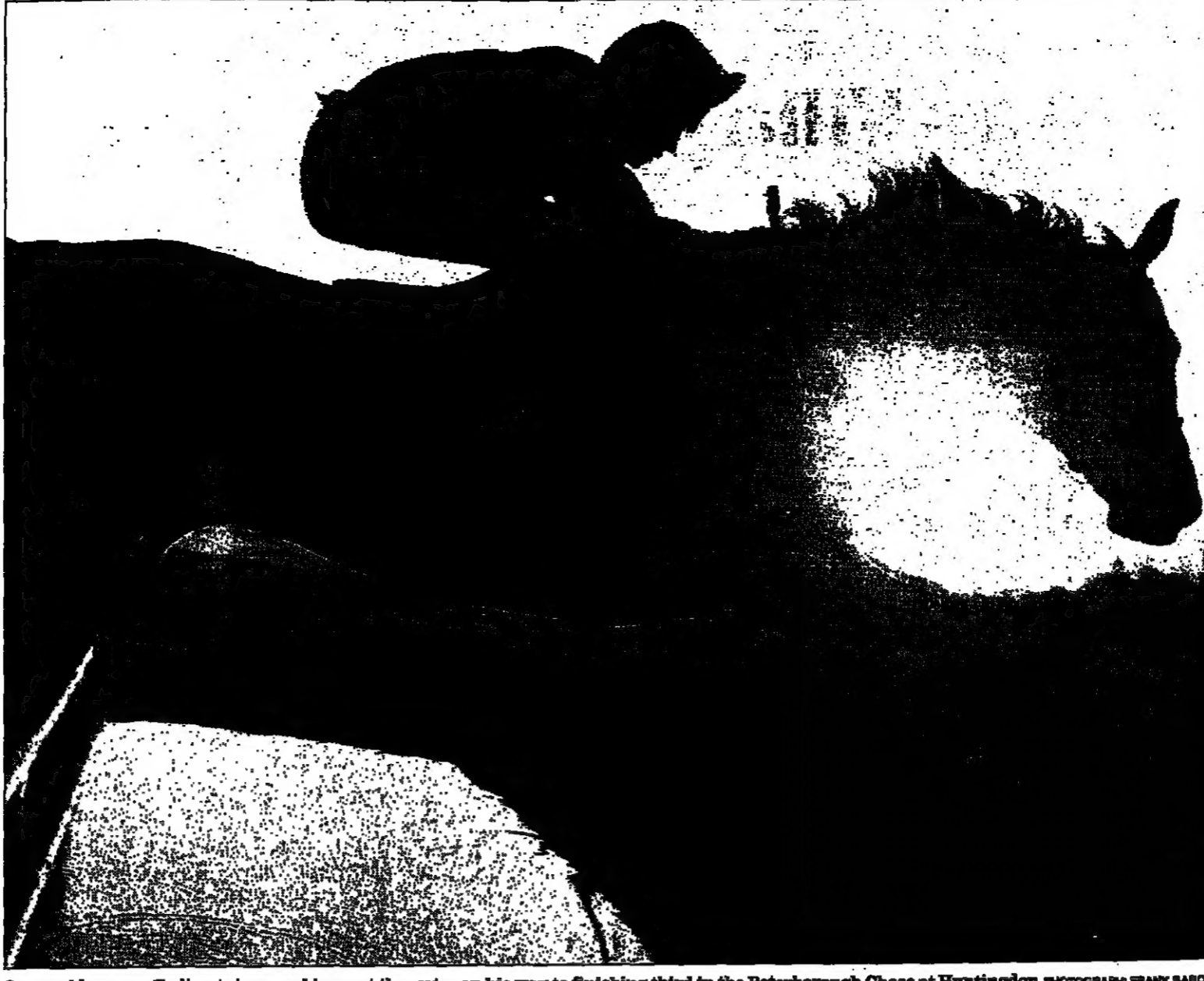
14 SPORTS NEWS

Racing

Flyer back on song thanks to Powell

Graham Flock

DUBLIN FLYER swept aside memories of his slip in the... with an impressive victory in the Peterborough Chase at Huntingdon yesterday...



Sunny side up... Kadi puts in a good jump at the water on his way to finishing third in the Peterborough Chase at Huntingdon. PHOTOGRAPH: FRANK BARNON

Rose to bloom with stamina at a premium

Ron Cox

OTIS ROSE, 33-1 winner in testing ground race at Newbury last season, will find conditions right up her street in the Independent Insurance Handicap Hurdle at Chesham today.

all of the two mile and five furlong trip when successful at Newbury and today's three miles can bring about further improvement in this lighty-raced mare.

No tax relief from Clarke

PETER SAVILL, one of the most influential members of the Racehorse Owners' Association, was bitterly disappointed by Chancellor Kenneth Clarke's refusal to help racing in yesterday's budget...

Blaming the British Horseracing Board and the Levy Board for signing racing's cause to that of bookmakers and punters, he said: 'I thought there would be something in the budget, but I have always been concerned by the linking of racing's argument with those of bookmakers and punters, which haven't held up to scrutiny.'

'It is disappointing that the strength of the Bookmakers' Committee's argument has not succeeded', he said. 'It might have been more productive if everyone had asked for a reduction to be passed on to the punter, and separate voices such as Peter Savill's cannot have helped.'

Chepstow runners and riders with form

Table listing race results and runner details for Chepstow, including race names, runner names, jockeys, and finishing positions.

Hexham

Table listing race results and runner details for Hexham, including race names, runner names, jockeys, and finishing positions.

Windsor

Table listing race results and runner details for Windsor, including race names, runner names, jockeys, and finishing positions.

Results

Table listing race results for Cheltenham, including race names, runner names, jockeys, and finishing positions.

Results

Table listing race results for Hurtingdon, including race names, runner names, jockeys, and finishing positions.

Results

Table listing race results for Lincolnfield, including race names, runner names, jockeys, and finishing positions.

Results

Table listing race results for Lincolnfield, including race names, runner names, jockeys, and finishing positions.

Advertisement for RACELINE, CHEPSTOW, WINDSOR, and HEXHAM, featuring phone numbers and website information.

Large vertical advertisement on the right side of the page, partially obscured by a 'Gayle' sign, containing text and graphics.

Blinked today for the first time: WINDSOR 12.45 THE MILLMARE; 1.45 Its Grand; 2.45 Zeredar.

Handwritten text in a box at the bottom center of the page, possibly a signature or note.

Soccer

Coca-Cola Cup, fourth round: Wimbledon 1, Aston Villa 0

Gayle shows Villa an early exit

Davidacey

A DEFLECTED shot from Marcus Gayle shortly before half-time at Selhurst Park last night took Wimbledon towards only their second League Cup quarter-final and left the holders Aston Villa to rue a host of missed chances as well as the loss of Gareth Southgate, who was carried off with a knee injury towards the end.

Villa came to Selhurst with an impressive League Cup record. They were the present holders, they had won the trophy twice in the last three seasons, and only Liverpool had also won the tournament five times.

Villa's neat passing continued to drive deep wedges into Wimbledon's defence. Oakes' agility in turning a swerving, dipping free-kick from Arday over the bar just before the hour kept the holders in the contest.

Wimbledon's goalkeeper, Neil Sullivan, was particularly impressive. He made a number of fine saves, including a brilliant stop of a free-kick from Arday.

Oxford United 1, Southampton 1

Last-gasp Moody blues for struggling Saints

Jeremy Alexander

SOUTHAMPTON just about hung on to their self-esteem last night at the Manor Ground, but they did little to restore their confidence. In the last minute Oxford, who created more and better chances throughout, scored a deserved equaliser when Moody lashed the ball past Woods.

Moody was a substitute for the main culprit Aldridge for the last half-hour. In that time Purse and Mike Ford both scraped the bar with headers from crosses by Beauchamp.

Moody was a substitute for the main culprit Aldridge for the last half-hour. In that time Purse and Mike Ford both scraped the bar with headers from crosses by Beauchamp.

Ipswich Town 1, Gillingham 0

Suffolk punch floors Gills

Trevor Haggett

THE Coca-Cola Cup continues to add a zip to Ipswich's season though for long periods it looked likely that Gillingham would have caused to celebrate another memorable giant-killing victory.

The substitution suggested that Ipswich's fortunes were about to improve as Uhlenbeck began raiding down the right. The second half started with Butler put in the clear but the finish was weak.

The substitution suggested that Ipswich's fortunes were about to improve as Uhlenbeck began raiding down the right. The second half started with Butler put in the clear but the finish was weak.

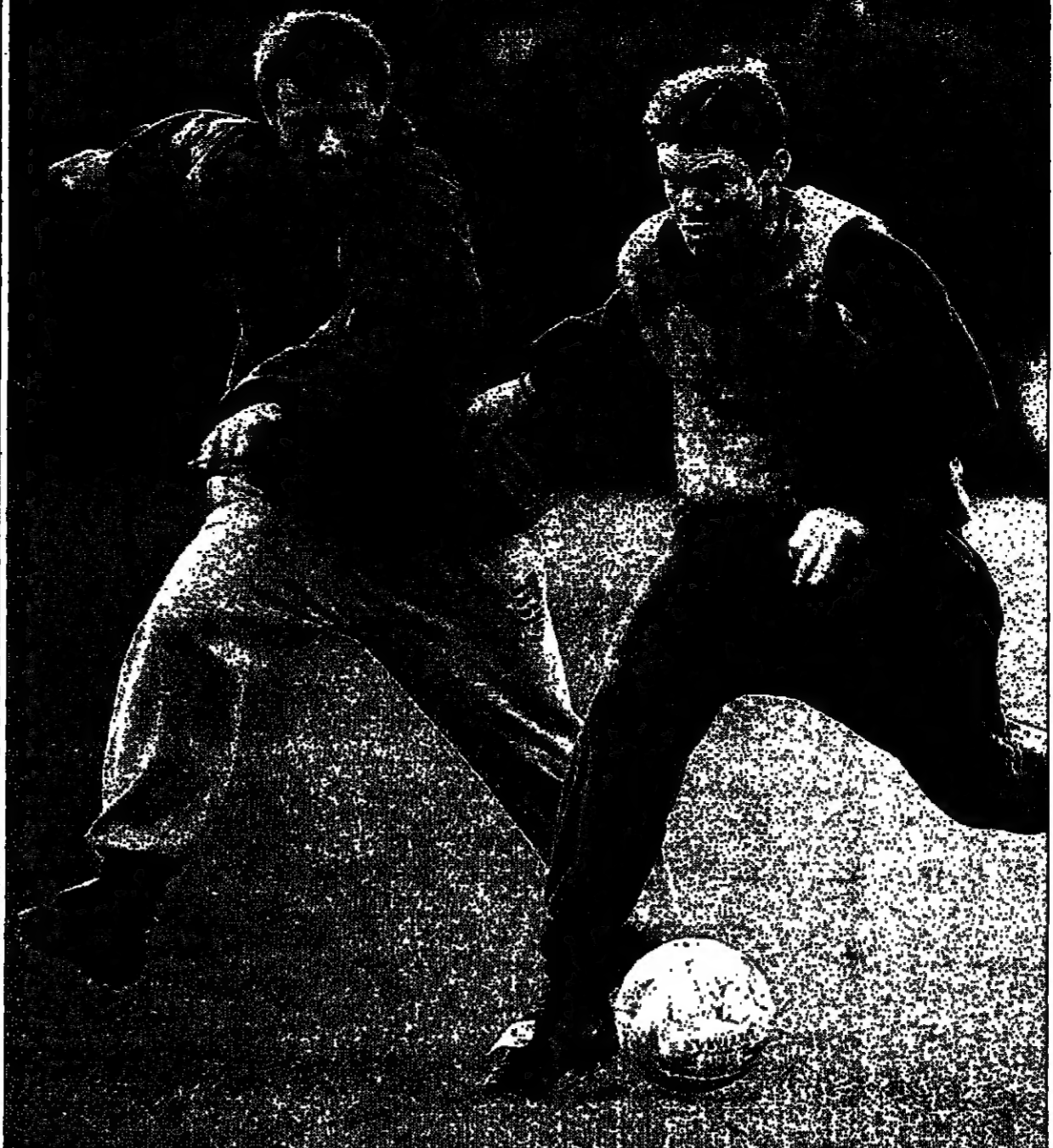
Team talk

The independent news and reports service

0891 33 77+

Table with 4 columns: Team, Score, Team, Score. Lists results for various football matches.

CALL 0891 33 77+ FOR THE LATEST NEWS AND REPORTS SERVICE. THE GUARDIAN INTERACTIVE



Clothes show... Claridge, left, regularly trains in old Cambridge or Birmingham kit

Leicester scruff hoping to give United a dressing down

Paul Weaver on Steve Claridge, a striker geared up for tonight's Coca-Cola Cup tie

IN THE Gucci and Armani-strewn world of the Premiership, Steve Claridge is not so much a fashion statement as a tight-lipped non-statement. His Leicester City manager Martin O'Neill describes this antithesis of Beau Brummell as the scruffiest forward in the division.

of Matsos Rosé, I was so pleased I took them home to my mum and dad but when we opened it we found the turkey was rotten.

Claridge did not find life much better at Cambridge. "It was the unhealthiest 2 1/2 years of my career. John Beck, the manager, was in favour of the long-ball game. We had 90 minutes of one-touch football. We were not allowed to pass back; we were told to boot it out of play. We were winning games and getting booted off."

Results

Table of football results for various leagues including the Coca-Cola Cup, Scottish League, and Nationwide League. Lists teams, scores, and match details.

Juve on top of the world

JUVENTUS took time out from giving football lessons to Manchester United when they won the World Club Championship in Tokyo yesterday. Alessandro Del Piero scored the only goal in a scrappy 1-0 victory over River Plate of Argentina.

The Juve coach Marcello Lippi said: "We worked hard for three years to bring our way of play up to this level and I think every body in the team deserves credit for this championship."

It was the second year in succession that a European side had triumphed, after Ajax's success last year. Since the competition began in 1960, South American sides have won it 20 times against Europe's 14.

Shearer named in Europe's best

ALAN SHEARER is among the favourites to become European Footballer of the Year but Paul Gascoigne has been omitted from the shortlist of 50 named in the soccer magazine France Football.

SportsGuardian

Wales put their faith in Davies

David Plummer on the former captain's return eight years on

WALES have asked Jonathan Davies to fire their back line again, eight years after he won the last of his 27 caps, and at 34 he will be the oldest post-war outside-half to play in the red jersey. His last international was under his captaincy, Wales became the first of the home countries to lose at home to an emerging nation, Romania, in a full Test. Recriminations followed and Davies joined the exodus of Welsh players north.



Davies... adventurous

Italy in Rome last month. Neil Jenkins has been deposed at outside-half as Kevin Bowring seeks a more adventurous approach. "We need game-controllers and decision-makers," said the coach, who saw Davies excel for Wales in last weekend's Duhal Sevans. "Jonathan has the knack of doing the right thing at the right time, as his performances during Cardiff's European Cup run have shown. He offers both experience and expertise."

Despite his wealth of caps, Jenkins has struggled to get his line moving. Beaten packs have not helped, nor has his tendency to stand still when receiving a pass. Davies may not have the pace of yore but his reading of the game and his ability to bring the best out of those around him make him formidable.

"There is a danger people will expect too much," he said. "I am not the same player as when I left. I have improved in some aspects and am weaker in others."

When Davies returned to Welsh rugby 13 months ago he received a rapturous homecoming but failed to break into the Cardiff team at outside-half, and struggled with injury while his wife Karen battled against cancer.

"I did think of quitting at the end of last season," he said, "but this season has been different."

Davies recaptures old glories, a tour to South Africa with the Lions, the one honour in the game which has eluded him, will beckon.

David Young, another former rugby league international, is also recalled, six years after his last union game for Wales, and the fit-again Ieuan Evans reclaims his place on the right wing.

WALERS W Forward: I Evans (both line), G Thomas (forward), S Gabe (winger), D Jones (bridge), J Jones, R Howley (both centres), C Lewis (scrummer), J Thomas (prop), D Young (both centres), G Lewis (scrummer), D Jones (both centres), S Williams (hooker), K Jones (prop), R Howley (both centres), P Jones (both centres), C Charles (scrummer), G Charles (scrummer), J Jones (both centres).

SOCCER



Everything fine... Emerson shows no signs of his latest brush with Middlesbrough's manager Bryan Robson yesterday

Michael Walker on more problems for Emerson before tonight's North-east derby

Robson fines then picks his stay-away prodigal

AFTER three weeks of what seems like continually disruptive behaviour, you would think Bryan Robson would be tired of his strong-willed Brazilian Emerson. And yet

the Middlesbrough manager, though having his patience pushed to the limits, insists that Emerson will play in tonight's fourth-round Coca-Cola Cup tie against Newcastle at the Riverside Stadium.

Emerson's latest indiscretion has at least seen him incur a fine from Robson. The Brazilian, who was suspended for last weekend's draw with Manchester United, turned up a day late for training having been given permission to travel to Portugal. "Emerson is a top-quality player but he is not bigger than the club," Robson said. "He will be fined."

But Robson was also adamant that Emerson deserved a place in the Boro midfield. "I'm sure Emerson will be focused on the game," he said. "I don't think there is a problem over that and I'm convinced the fans will give him a tremendous reception."

Fabrizio Ravanelli became Robson's most significant worry yesterday when he reported sick with a stomach bug. But the manager hopes the Italian will recover in time to face Alan Shearer. Middlesbrough have gone five games without a win — the same number of matches in which Shearer has scored consecutively. If he does so again tonight he will equal his personal record.

Liverpool, having been hooded at Anfield for the first time in the Roy Evans era, will be trying to end their slight stutter in form, although it will be far from easy against a rejuvenated Arsenal. A Dennis Bergkamp thigh strain is the Gunners' only worry though Arsene Wenger has no doubt about the ability of Bergkamp's replacement, John Hartson. "He has the power and

strength to become a first-class striker and would be a good replacement." John Lukic continues in goal as a replacement for England's David Seaman, who is out for three weeks with damaged ribs.

Evans's problem is an embarrassment of riches. He must decide which four to choose from Barnes, Redknapp, Thomas, Collymore, Berger, and McManisman if fit.

A man for whom decision-making comes naturally is Alex Ferguson, and once again youth gets the call above experience for Manchester United's visit to Leicester. Peter Schmeichel and Eric Cantona will sit out the game but John O'Kane, Ben Thornley and Michael Clegg keep the positions in which they did so well on Saturday at Middlesbrough.

Gary Pallister, however, is a player with his youth behind him and must be concerned about how much football there is in the future. His long-term back injury was not helped by a car accident this week and the centre-half has been told by Ferguson that he must prove his fitness at Filbert Street or at Old Trafford at the weekend to stand any chance of making the trip to Vienna next Monday.

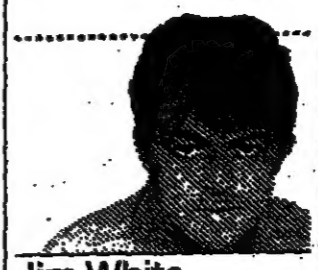
Tottenham will not relish a trip to the First Division leaders Bolton, who two years ago reached Wembley in this competition. With Pe Frimston back after a three-match absence with a groin injury, and his fellow Dane Michael Johansen and new signing Jamie Pollock in the frame, Bolton's manager Colin Todd has eight men challenging for four midfield places. Todd played down suggestions that the club were still

interested in Chelsea's Mark Hughes. "When I spoke to Chelsea four or five months ago the timing was right. It's not right now and Chelsea say they won't let him go anyway. I've got targets elsewhere."

Meanwhile Tottenham are hoping their Danish midfielder Allan Nielsen recovers from the knee injury sustained in Sunday's 3-1 defeat at Arsenal.

Last night's soccer, page 15

United we sit but lost in the crowd



Jim White

IN THE film *Charlie Bubbles*, a classic Sixties yarn about a northern lad made good, our hero, played by Albert Finney, goes home to a football match. Poted as a celebrity, he is offered the chance to watch the game from a box at Old Trafford. Manchester United being so far ahead in the football marketing game that they were offering executive seating arrangements way back when most other clubs considered a cinder bank the height of luxury. But sitting there, enclosed, watching the lads away on the terraces below him, Finney feels increasingly uncomfortable.

Eventually he has to leg it outside. Indeed, so odious is the experience, so corrupt, so treacherous, so symbolic of the distance he has travelled from his roots, he is driven to throwing up. Last week I was invited to watch a game at Old Trafford from an executive box for the first time and I found myself similarly overcome with a sense of nausea. Although in my case it was brought on by a surfeit of Coronation Chicken starters.

It was a timely invitation, however. Before United's game with Juventus, Alex Ferguson made pertinent comments about some of the crowd at Old Trafford, about how they were turning up for a day trip, enjoying the magnificent facilities, sitting back and expecting to be entertained, a new constituency unaware of their part of the spectating bargain, unschooled in the need to generate an encouraging atmosphere. It was not doing the players any favours, he said, trying to recover their form and spirit in a silent stadium.

Many United supporters had been alarmed for some time about the decline of the usual rule: the sensitive souls in the cheap seats were being protected from the unruly unwashed in the boxes.

But it led to an unlikely thought: if Alex Ferguson really wants to improve the atmosphere at his ground, he should encourage the stadium architects to fit the boxes with windows that actually open. And thus stop all that noise going to waste.

cafes and shops where football's moneys is spun these days. But the most fundamental reason is architectural. The welcome improvements brought about by modernisation have altered the entire manner in which a crowd behaves. On terraces, chairs could force, those interested in joining in could gravitate towards them, those wishing to avoid them move away. In seats, people not only feel less physically connected, they are rooted to the spot: when someone stands up to shout, sing or wave a flag, he immediately spoils someone else's view. It was no coincidence, incidentally, that for several years the Old Trafford DJ's other pre-match song was James's *Sit Down*.

The executive box is the apex of non-participatory spectating. The deal seems to be that what you gain in luxury — central heating, the pitch laid out like a table-cloth in front of you, no need to queue for your half-time cups — you lose in contact. You might as well watch on television: as indeed you can do, a monitor at the back of the box offering slow replays and Ron Atkinson opinions.

As with most things, however, it depends on the company you keep. The box I found myself in was filled with the passionate, the excited, those who had thoroughly appreciated the hospitality. There was yelling, there was chanting, there was even a man with a concert officiating brass rendition of *La Marseillaise* and that *Verté* march the Dutch fans so enjoy.

There's no disguising problem toenails



Thick, brittle, discoloured toenails may be caused by a fungal infection. For a free leaflet and advice on how they can be cured write to FREEPOST STEPWISE, Dept. AG, PO BOX 5314, London W6 0GQ, or call FREEPHONE 0800 200 210.

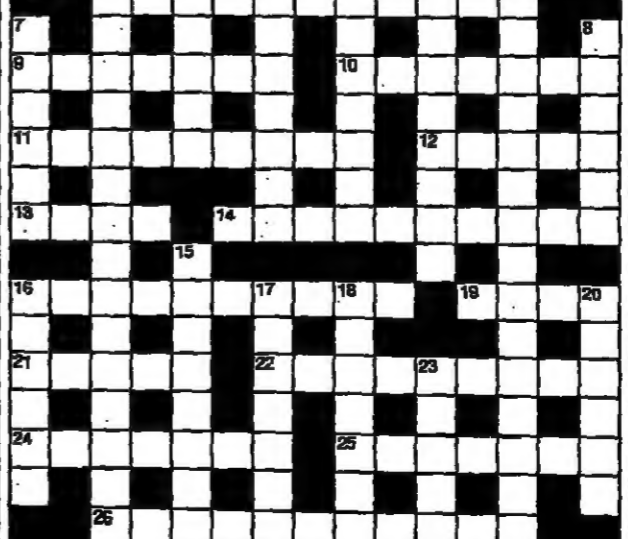
FREEPHONE 0800 200 210

What never changes is her figure. "I read the other day that if Barbie were a real woman she wouldn't be able to stand upright." Barbie (36-18-33)

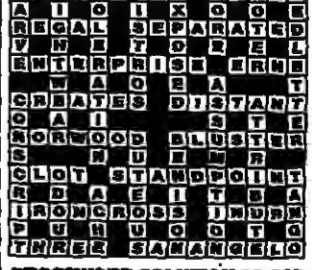
G2 page 8

Guardian Crossword No 20,821

Set by Araucaria



- Across**
- 1 Mt. Mop, shaggy, Gisevel-ton, to beat record? (11)
 - 9 London palace of 1 down's 19 (7)
 - 10 Some hair specialists with some ornament for a hat (7)
 - 11 Haggle who wins another medal like the first? (9)
 - 12 I am a carrier and am taking everything back (5)
 - 13 Romance pursued by female willingly (4)
 - 14 1 down's badly grazed and sore from something sharp (5,1,4)
 - 16 Little beast, about one of five, in drapery (10)
 - 19 Queen Elizabeth the first? (4)
 - 21 Old blast by jolly good fellow (5)
 - 22 Big story about saint at Jewel of a church (9)
- Down**
- 2 Empty with silencer (7)
 - 23 Request to an establishment gets a funny look (7)
 - 24 In unobtrusive energy, sailors and soldiers are as we like these days (8,5)
 - 25 I wrote for the county, Your Majesty: I feel sick at heart (8,7)
 - 26 Beast's desire to be included in the big guns (5)
 - 27 Hell is red stuff under the earth (7)
 - 28 Lake not supplied by a river in Spain (7)
 - 29 Getting no water to wash away real sins (8)
 - 30 Wander vacantly with a tanner from 1 down (4,3,8)
 - 31 Highball drunk by Miss Universe? (6)
 - 32 See 23



CROSSWORD SOLUTION 20,821

- 18 Advance theory supporting steering? (8)
- 19 Character from a short story by 1 down (6)
- 17 Knight no longer errant yet in Quaker Street? (7)
- 18 Uranium extracted from thorium could be phoney (7)
- 20 According to Wordsworth our birth is dead (6)
- 22, 28 Mud on shoe, English work of 1 down (5,3,3)

Solution tomorrow

27 Stuck? Then call our solutions line on 0800 328 224. Calls cost 50p per minute Mon-Fri, 8am-6pm, and 45p per minute at all other times. Service supplied by ATS.